GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

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PART I

ECONOMIC FRAMEWORK

CHAPTER I

INTRODUCTION

The main instrument for implementing five year plans has been the Annual Development Programme but it is confined largely to the public sector and does not cover the economy as a whole, even though five year plans embrace both the public and private sectors within overall targets and policy framework. The five year plans rely heavily on projections and assumptions regarding the future course of events. Where developments from one year to the other are in line with these projections and assumptions, as happened during the Second Plan, the implementation of the Plan can proceed smoothly, but when many vital assumptions cease to be valid, as in 1965, there is need for a continuous review of developments from year to year to shift emphasis on various elements of plan implementation in response to a changing situation. The introduction of an Annual Plan from the year 1968/69 to cover both the public and private sectors is intended to provide the mechanism for such a review on a more systematic basis and represents a new stage in the evolution of the planning process in Pakistan.

2. The main purpose of the Annual Plan is to collect enough information each year to permit the formulation of short-term objectives and annual targets for G. N. P. growth, private and public savings, exports, imports and changes in prices and employment in the light of past trends and to identify policy measures necessary to achieve these objectives and targets. More specifically, the Annual Plan is expected to include the following main elements :—

(*a*) an evaluation of the past performance of the economy in the preceding period and the strategy for development for the ensuing year within the overall framework of the five year plan ;

(*b*) a presentation of the main targets to be achieved, *i.e.* targets for gross national product, investment, savings, exports, imports, consumption and employment ;

(*c*) an assessment of financial resources, internal and external, likely to be available during the year ;

(*d*) an outline of the investment programme in the public and private sectors and of the physical targets to be achieved in major sectors/fields ;

(*e*) a broad outline of the economic policies that may be necessary to achieve various targets ; and

(*f*) an analysis of the sectoral programmes and targets with special reference to the balance of payments position, overall employment opportunities, price and wage stability and other important elements of the economy.

3. As a first attempt at comprehensive annual planning, the Annual Plan for the fourth year of the Third Plan does not cover all these elements. The present reporting system and available information, particularly on private economic activity, is also inadequate in many respects but attempts are being made to remove statistical deficiencies.

4. One of the important objectives of the Annual Plan is to improve arrangements for planning and policy-making for the private sector. This does not imply more Government controls, but a rationalization and simplification of existing practices to ensure less direct controls and less detailed administrative intervention in private decision-making and more reliance on indirect policy instruments to provide incentives through the market mechanism.

5. Information about private activity and needs is scanty and uneven at present. Attempts are being made to collect additional information about such elements as small-scale industries, construction, private investment, wholesale and retail trade and private services. Studies are also being initiated to analyse more accurately capital flows and savings in the economy. Most of this information will, no doubt, take time to collect and analyse but the preparation of the Annual Plan for 1968/69 has provided a useful beginning in removing some of the crucial deficiencies in Pakistan's planning apparatus.

6. This Plan has been formulated with the active association and cooperation of all the Central Ministries and Provincial agencies. The preparation of the Plan was supervised by a high-powered Coordination Committee under the Deputy Chairman, Planning Commission, with Secretaries in charge of Ministries or Divisions of Agriculture, Commerce, Communications, Economic Affairs, Finance, Industries and Planning, the Governor, State Bank of Pakistan, and the heads of Planning Departments in the two Provinces, as members. The Committee received valuable support from two Working Groups, one set up to suggest investment targets and policies for the private sector and the other to recommend desirable and feasible growth and production targets for the two Provinces.

CHAPTER II

REVIEW OF PROGRESS DURING 1965—68

The Third Plan began with a sudden drop in foreign assistance and an unforeseen rise in defence requirements. The economy faced the challenge of preserving the growth targets of the Plan despite reduced financial resources. To obtain the projected growth rates with lower levels of investment, the priorities of the Plan were revised in favour of quick-yielding sectors and projects. This strategy appears to be bearing fruit and the year 1967/68 marks the end of a difficult period of adjustment. The prospects of growth, particularly in the agriculture sector, are extremely bright in the latter half of the Plan period. According to the current assessment, there may be a shortfall of about 10 to 15 per cent in the financial implementation of the Plan but the overall growth rate in the GNP is expected to be around 6.5 per cent as envisaged in the original Plan.

Growth Rates

2. The average growth rate in the first two years was nearly 5 per cent per annum despite poor agricultural crops. The preliminary estimates for 1967/68 project a growth rate of 7 to 8 per cent. The growth rate in the GNP during the first three years of the Plan is, therefore, likely to be nearly 6 per cent per annum as against the Plan target of 6.5 per cent. Every effort will be made to maintain an annual growth rate of at least 7 per cent in the balance of the Plan period so as to achieve the growth target originally set in the Plan.

3. The agricultural growth rate has picked up after a poor performance in the first two years of only 1.4 per cent per annum compared to the Third Plan target of 5 per cent and the actual achievement of 3.4 per cent in the Second Plan. In the current year, the growth rate in major crops is expected to be over 10 per cent. As such, the average growth rate in the agriculture sector for the first three years of the Plan will be at least 3.2 per cent. It is expected that good agricultural performance in the balance of the Plan period will bring this growth rate fairly close to the Plan target.

4. The industrial growth rate suffered during the early period of the Third Plan when adequate raw-materials were not available. The growth rate of the large-scale industries sector dropped from an average of 15 per cent per annum in the Second Plan to about 6 per cent in 1965/66 and picked up subsequently to 11 per cent in 1966/67 and an estimated 13 per cent in 1967/68. Determined efforts are currently being made to accelerate the industrial growth rate further to meet the increasing domestic demand resulting from higher agricultural incomes as well as to push up exports of manufactures. Basic to these efforts is the greater utilisation of installed capacity and more adequate provision of raw materials to the industries sector.

Investment Levels

5. There was a major decline in total investment levels during the first year of the Third Plan. Fixed investment declined from 16.7 per cent of the GNP in 1964/65 to 13.5 per cent in 1965/66. Even in 1967/68, the investment level will barely recover to 14.5 per cent of the GNP despite the fact that the marginal rate of saving is expected to be about 28 per cent during this year. The lower level of investment is the result of a substantial reduction in the inflow of external resources which are estimated at 4.9 per cent of the GNP in 1967/68 compared with 6.8 per cent in 1964/65.

6. A shortfall in the development expenditure of the public sector appears to be inevitable at this stage. By the end of the first three years of the Plan, only 41 per cent of the total Plan allocation of Rs. 30,000 million will have been spent. The present indications are that total financial implementation during the Plan period may be around Rs. 25,000 million, showing a shortfall of 17 per cent below Plan targets in financial terms. In constant prices, the shortfall may be around 25 per cent. It should be mentioned here that, in an effort to protect the financial targets of the Plan additional taxation of Rs. 6,250 million has already been levied compared to the Plan target of Rs. 3,000 million. This effort, however, will not prove adequate to prevent a shortfall in the financial implementation of the Plan because of the expected shortfall of Rs. 2,500 million in the availability of foreign assistance for the public sector and the necessity for an extra provision of over Rs. 5,000 million for defence expenditure over the Plan period. If development expenditure to the extent of Rs. 25,000 million is incurred in the public sector during the Third Plan, it would still mean an increase of over 75 per cent compared to the Second Plan expenditure of Rs. 14,590 million.

7. The shortfall in the private sector is not as significant as that in the public sector. It is expected that about 56 per cent of the total Plan target of Rs. 22,000 million for the private sector will be achieved in the first three years. This estimate may, however, prove to be somewhat optimistic in the light of detailed studies on private investment under preparation at present. The performance of the private sector was lagging behind targets in the first two years of the Plan but it seems to have picked up during 1967/68 due to the larger availability of foreign credits and private savings. One of the healthy features of investment in the private sector is the increased interest in agricultural investment where substantial amounts are being spent on installation of tubewells and on fertilizer, seeds and other elements of improved agricultural technology. The implementation of the Comprehensive Industrial Investment Schedule lagged seriously behind targets in the first two years but there has been a bunching of sanctions recently which has raised the total implementation of the Schedule to about 43 per cent by December, 1967. The industrial programme in the fields of steel production, fertilizer, chemicals and basic industries is proceeding behind schedule. There was a considerable shift in the strategy of industrialisation in view of the reduced availability of foreign exchange ; much greater emphasis was given to industries based on domestic raw materials, those having a quick return and those meant mainly for export or catering to the agriculture sector.

8. The Government undertook a determined effort to accelerate the level of development activity in East Pakistan during the Third Plan period. About 52 per cent of the total public sector expenditure is expected to be incurred in East Pakistan in the first three years of the Plan. The flow of foreign assistance to East Pakistan was also increased during this period by earmarking for it 51 per cent of the total project assistance The Central Government also provided 72 per cent of its total development loans to East Pakistan so as to make up for its paucity of budgetary resources. Despite these efforts, it has not been possible to reduce the *per capita* income disparity between the two regions, mainly because of the disappointing level of private sector activity in East Pakistan. It is estimated that only about 22 per cent of the total private investment has taken place in East Pakistan during the first three years of the Plan as against a target of 50 per cent. Similarly, in the agriculture sector, which constitutes about two-thirds of the total income of East Pakistan, the growth rate has been fairly slow in the first two years of the Plan. The Government is devoting further attention to stimulating economic incentives for private investment and production in East Pakistan.

Balance of Payments, Price Trends and Economic Policies

9. The balance of payments remained under considerable strain during the first three years of the Plan. This was despite the fact that exports moved fairly well and are expected to increase by 8.2 per cent per annum during this period. The disbursements of foreign assistance were 22 per cent below Plan expectations during the same period which reduced the level of imports. The pressure on development imports was more intense since non-devlopment imports increased by 21 per cent above Plan projections because of the necessity of larger food and defence imports. As a result, development imports were 24 per cent less than Plan projections. A severe shortage of raw materials developed during this period, resulting in considerable under-utilised capacity. It is expected that, with economies in food imports and larger foreign exchange earnings during the balance of the Plan period, it will become possible to make a more adequate provision for development imports than in the first three years.

10. The price situation came under considerable pressure during 1966/67 as a result of a severe drought in West Pakistan and adverse weather in East Pakistan. The overall price index increased by about 14 per cent during 1966/67. Most of the increase was contributed by food prices which rose by 19 per cent. In the latter half of 1967, the general price level has started declining and the current expectation is that the prices will reach even lower levels after the harvesting of wheat crop in West Pakistan in April/May this year. The rate of increase in prices during the first three years will be around 5 per cent per annum as against 2 per cent per annum during the Second Plan period. The Government is taking all possible steps to ensure a reasonable price level during the balance of the Plan period and various instruments of policy, particularly the fiscal and credit policies and import policy, are being formulated in accordance with this objective.

11. The Government had initiated policies of economic liberalism during the Second Plan period in order to free the economy progressively from direct administrative controls and to allocate scarce resources primarily through the use of economic incentives and market mechanism. These liberal policies suffered set backs in the early period of the Third Plan because of an extreme shortage of foreign exchange and domestic resources which necessitated some degree of administrative control over allocations. However, except for the import sector, a large segment of the economy, including production, distribution and export of commodities, remained relatively free from direct controls even during this period. Recently, the Government undertook a comprehensive review of all its economic policies in order to restore liberalism wherever possible. The import policy recently announced for the January—June 1968 period is a step in this direction. Automatic licensing has been introduced for almost all industrial raw materials and spares. The prices of

these raw materials have been adjusted upward through selective increases in tariffs on aided imports as well as through the enlargement of cash-*cum*-bonus scheme which has raised the effective import rate to over 80 per cent above the par value for the import of most raw materials. Export incentives through the bonus scheme have also been re-exmined and the effective export rates reduced to only four. A cautious monetary policy has been pursued throughout this period in order to ensure economic growth with relative monetary stability. For 1968/69, an Annual Plan is being formulated in order to coordinate all the economic policies of the Government within a consistent frame-work of national priorities.

Review of Sectoral Progress

12. The progress in the individual sectors of the economy tells a varied story. The financial implementation in all the sectors was painfully slow during the first two years of the Plan but picked up in the third year. The reduced level of foreign assistance and the rise in defence expenditure exerted unexpected pressure on funds for development activity and necessitated a quick review of relative priorities of various projects and programmes. The programmes implemented in the first half of the Third Plan were more selective and the impact of financial cuts on physical targets has not been uniform.

13. The revised strategy of the Third Plan paid special attention to the development of *Agriculture* so that the projected annual growth rate of 5 per cent could be preserved. The first two years of the Plan period were wrought with problems. The drought in West Pakistan and the uncertain weather conditions in East Pakistan brought down the agricultural growth rate from an average of 3.4 per cent to 1.4 per cent during 1965—67. However, the basic inputs in agriculture registered an encouraging level which coupled with favourable weather conditions, lent support to the hope that the overall growth rate in agriculture will come close to the Plan target. The most important achievement in the field of agriculture has been the increase in the consumption of fertilisers and the wide-spread use of improved seeds of wheat and rice. It is expected that by the end of the Plan period, most of the targets of foodgrain production would have been exceeded. This encouraging spurt in the agriculture sector did not require any major increments in financial expenditures in the public sector since the success of the programme was partly due to larger private investment and partly to improved policies, institutional support and more effective implementation. In financial terms only 33 per cent of Plan allocations for agriculture would be utilized in the first three years.

14. The performance in the *Manufacturing and Mining* sector has not been very encouraging though the rate of growth in the large-scale industrial production rose from 6 per cent in 1965/66 and to 11 per cent in 1966/67. In financial terms, only 21 per cent of the Plan allocations were spent in the first two years. By the end of the third year, this percentage may increase to about 35 per cent. Shortfalls have been heavier in the public sector where the reduced level of foreign assistance played an important role. Investment may nearly approach Plan targets in jute and cotton textiles but there will be a considerable shortfall in the iron and steel, and engineering industries. Programmes for the development of petro-chemicals, fertilizers and the non-metallic mineral products were also lagging behind expectations. An important event during 1967/68 was the completion of Iron and Steel Plant at Chittagong a little ahead of schedule. The index of mineral production rose slightly during the first two years of the Plan—from 174.5 in 1964/65 to 193.0 in 1966/67. Continued priority was given to the exploration and exploitation of the sub-soil resources of the country.

15. In the social sectors, performance has been considerably below expectation both in physical and financial terms. In the *Education* sector, the major programmes like the primary education and technical education did not make much progress as compared to the Plan target. Out of the Plan target of additional enrolment at the primary stage, the progress has been only 8 per cent in West Pakistan and 9 per cent in East Pakistan. Programme of technical education recorded slow progress. Delays in the preparation of schemes by the executing agencies, submission of incomplete and defective schemes to the sanctioning authorities and non-availability of funds for certain sub-sectors were the major causes of the slow progress in education. In financial terms, the implementation may come up to 29 per cent during the first three years of the Plan period.

16. The performance in the *Health* sector has been more encouraging. Malaria eradication programme and the family planning programme which utilised 46 per cent of the Plan allocations progressed satisfactorily. But the establishment of T.B. clinics and rural health centres made little progress. Similarly, the programmes for additional beds made little headway. In financial terms, during the first two years of the Plan only 25 per cent of the Plan allocation was utilized. However, by the end of the third year, the achievement level is expected to reach 41 per cent of the Plan allocation.

17. The physical performance in the *Manpower Training and Labour* sector also lagged behind the projected targets. The already modest programme in the sector had been further reduced at the time of revision of the Plan in 1966. Work on projects of Skilled Labour Training Centres has been confined to the construction of buildings and little progress was made towards increasing the output of skilled workers. Progress was also slow on other projects in the sector like the Vocational Guidance and Youth Employment Exchange. However, an important achievement in the sector was the promulgation of the Social Security Ordinance in West Pakistan. A similar ordinance in East Pakistan is still to be enacted.

18. The Third Plan had laid special emphasis on the development of *Social Welfare Services*. However, during the first two years of the Plan only 15 per cent of the Plan allocation for this sector was utilised. By the end of the third year, the implementation would come to about 32 per cent. The major sufferers in this sector had been the programmes for the establishment of Social Services Units and the Rural Community Centres. During the first two years, out of 456 Social services units provided in the Plan, only 55 had been organized and against the Plan target of 500 Rural Community Centres, only 6 had started operating.

19. The sectors constituting the physical *infra-structure* present a more comforting picture. The programme for *Water and Power* development progressed satisfactorily. However, some important projects failed to progress at the projected rate. The schemes for providing irrigation water to the non-irrigated areas of West Pakistan lagged behind the projected target. The physical implementation was only 14 per cent in East Pakistan and 22 per cent in West Pakistan during the first two years of the Plan. The scheme for the improvement of old areas through flood regulations or irrigation was satisfactory in East Pakistan while it was behind schedule in West Pakistan.

20. The generating capacity in the two provinces suffered a number of set backs since 1965. But the power crisis was over by July, 1967 when the Mangla Power Station was commissioned. A major problem in this sector has been the inadequacy of the transmission net work. Concerted efforts will have to be made to make up this deficiency.

21. In financial terms, during the first two years of the Plan, 27 per cent of the Plan allocation for Water and Power had been utilized. However, it is expected that by the end of the financial year 1967/68, the percentage of financial achievement will rise to 47.

22. In the *Transport and Communications* sector, the physical progress has been slow particularly in respect of roads and the expansion of port facilities. The delays in the implementation of the transport programme have led to bottlenecks in handling of imports and the industrial raw materials, but the overall demand for transport did not increase as rapidly as expected initially. With improved prospects of agricultural production in the balance of the Plan period, the transport facilities will have to be improved at a faster rate particularly in East Pakistan where the expenditure of the Pakistan Eastern Railway on Third Plan projects amounted only to 7 per cent of the Plan target during the first two years of the Plan.

23. The development of the telegraphs and telephones facilities has also been behind schedule on account of inadequate funds, shortage of foreign assistance, and delay in setting up the much-needed cable factory.

24. Development programme in the *Physical Planning and Housing* sector has been particularly slow. The schemes for the preparation of regional plans, urban development plans and outline development plans were taken in hand during the first two years of the Plan period. In the field of slum clearance and low income housing, no new scheme was taken up. Against the target of 1,30,000 plots for dwelling units, at the present rate of development only about 45,500 units will be constructed during the entire Plan period. The projects for urban water supply, sewerage and drainage facilities made little progress during the first two years of the Plan. During 1967/68, the pace of development of these schemes has been accelerated. If this rate is maintained, the Plan target may be achieved.

25. *The Works Programme* aims at initiating small-scale local development programmes on voluntary basis through doses of public expenditure. In the first two years of the Plan, the allocations for the Works Programmes were lower than expected originally due to adverse developments. However, during 1967/68 the allocation in this sector has been increased to Rs. 200 million. In the first three years, about 29 per cent of the Plan provision is likely to be utilised. During the first two years of the Plan, despite the paucity of funds, progress was made in irrigation programmes, fisheries, communications, public buildings, and health and sanitation projects.

Problems and Prospects

26. The strategy of meeting reduced financial resources with an emphasis on investment in quick-yielding sectors and projects has resulted in important changes in the sectoral balance of the Plan. To preserve the major growth targets, agriculture and export-oriented projects received special emphasis. In the agriculture sector, the response to the incentives for accelerated development has been vigorous. On current performance, it should be possible to achieve self-sufficiency in foodgrains by 1970. In fact, an exportable surplus of IRRI rice should become available during 1968/69. The total production of foodgrains in 1969/70 is estimated at 24.45 million tons as against the original Third Plan target of 21·47 million tons and actual production of 17.60 million tons in 1964/65. Industrial production is generally lagging behind Plan targets, particularly in fertilizers, steel, jute goods, chemicals and coal. Programmes for the development of physical *infra-structure* are, on the whole, proceeding satisfactorily. Some bottlenecks had developed in the transport and power sectors but these have been largely removed by now. The main sufferers have been the social sectors where only 33 per cent of the total Plan allocations will be spent in the first three years. The shortfalls in the education and training sector, in particular, are likely to create major bottlenecks in the availability of skilled and trained manpower in the future.

27. Presently, the economy is poised for a much greater effort in the remaining period of the Third Plan. In view of the encouraging performance of the agriculture sector, the prospects of achieving the overall growth target of 6.5 per cent appear to be good. It is reasonably certain that food self-sufficiency will be achieved by 1970 and some foodgrain surpluses will become available for export. The main problems at present are how to revive the momentum of growth and investment in the industries sector and how to correct the imbalances which have arisen from the slow progress of the social sectors. These problems will receive careful consideration in the balance of the Third Plan period as well as in the formulation of the Fourth Plan.

CHAPTER III

MAJOR OBJECTIVES AND TARGETS FOR 1968/69

The objectives of the Annual Plan flow directly from the evaluation of progress in the first half of the Third Plan and the revised targets and priorities for the remaining two years.

2. As already explained in Chapter I, the economy maintained an average growth rate of 5 per cent in the first two years of the Third Plan and is likely to achieve a growth rate of between 7 to 8 per cent in the third year, yielding an average growth rate of nearly 6 per cent for the three year period. One of the major objectives of the Annual Plan will be to accelerate the growth rate in the remaining two years so as to realize the Plan target of an average growth rate of 6.5 per cent for the whole Plan period.

3. The growth of non-agriculture sector was affected by the shortage of imported inputs and by sluggish demand due to lower agricultural production. In the remaining two years of the Plan, the proportionate contribution of the industries sector to the growth of G.N.P. will have to be considerably faster since the annual increase in the agriculture sector from the high 1967/68 base may not be equally high. This, in turn, will need careful attention to the provision of industrial raw materials.

4. The shortfalls in the development outlay in the first three years of the Plan are quite substantial and there are little prospects of reaching the Plan's investment targets in the public sector, if the objective of monetary and price stability is to be kept in view. The major emphasis of investment policy in the remaining two years would, therefore, be to accelerate the rate of investment in the private sector.

5. The balance of payments situation has been difficult despite a satisfactory growth in exports because foreign assistance was 22 per cent less than was expected and the increase in country's own foreign exchange resources was largely taken up by larger defence expenditure and food imports. Imports of capital goods and raw materials in the first three years are expected to be 24 per cent less than the Plan target. This shortfall, in turn, is reflected in a lower level of investment and industrial production. A sharper increase in the flow of development imports in the remaining two years would be a major objective and would accelerate both the level of investment and industrial production.

6. The Third Plan did not make any explicit assumption about price increase during the period 1965-70 but the implicit assumption was an average increase of about 2 per cent per annum in line with the experience of the Second Plan. The rate of price increase in the first two years of the Plan has, however, been much faster, namely, about 4.5 and 13.9 per cent per annum respectively, giving an average increase of 9 per cent per annum. In the first seven months of the third year, the overall price index showed a fall of 4.3 per cent because of a relative decline in food prices. This trend, if continued, will reduce the average price increase for the three year period, 1965-68, to about 4 to 5 per cent per annum. Continued restraint on the price trends would be a major objective of the Annual Plan.

7. The following specific objectives of the Annual Plan have been identified in the light of the performance of the economy so far and the revised targets of the Third Plan :

(*i*) To accelerate the pace of investment in the economy, particularly in the private sector, without jeopardising monetary and price stability.

(*ii*) To maintain and consolidate the progress in the agriculture sector in West Pakistan and to step up the growth of agricultural production in East Pakistan by bringing in larger area under boro crop, provision of additional irrigation facilities and extension of fertilizer and improved seed programmes.

(*iii*) To accelerate the rate of growth in the industries sector from 9 to 11 per cent and of large-scale industry from 11 to 14 per cent through a more liberal availability of raw materials and better utilization of installed capacity.

(*iv*) To achieve a minimum increase of 10 per cent in exports.

(*v*) To maintain monetary and price stability in the economy.

(*vi*) To restore some of the cuts imposed on social programmes, particularly education and health, in the first three years of the Plan.

(*vii*) To step up employment opportunities in the economy by expanding labour-intensive programmes such as the Rural Works Programme.

8. Pending a firm estimate of agricultural production in the current year, the following tentative targets have been suggested for 1968/69 :—

	(per cent)
G. N. P.	7
Agriculture	5
Manufacturing	11
(Large-scale manufacturing)	14

9. As discussed in Chapter IV, the growth target for 1968/69 cannot be firmed up until more certain bench-marks for 1967/68 are available after the harvesting of agricultural crops. These targets will also have to be reviewed during the course of the year, particularly in the light of the recommendations of the two Agricultural Policy Committees. The implications of these targets for financial investment, physical inputs and economic policies are discussed in subsequent chapters.

10. The total development expenditure for 1968/69 is estimated at between Rs. 9,500 to Rs. 10,500 million. Of this, a net programme of Rs. 5,700 million has been provided for in the public sector and the balance for the private sector development expenditure. Due to lack of information about the actual size of development expenditure in the current year, particularly in the private sector, the target of private investment for 1968/69 cannot be fixed precisely at this stage. But the Plan provides for an acceleration of about 10 per cent in the investment programmes of the private sector. This will require an increase in the lending of financial institutions and more adequate availability of foreign exchange. It has not been possible to determine precisely the requirements of the private sector for foreign exchange and domestic finance but certain rough estimates are given in Chapter VII. In view of the slow rate of increase in private investment in the last few years, it is imperative that maximum incentives should be provided for activating the full investment potential of the economy. It is also necessary to increase the level of private investment in East Pakistan which has received only 22 per cent of the total private investment so far.

12. One of the primary objectives of the Annual Plan for 1968/69 is to reduce economic disparities between East and West Pakistan. It is estimated that the average annual growth rate during 1967/68 and 1968/69 will be 7.3 per cent in East Pakistan and 7.0 per cent in West Pakistan. Such a pattern of growth will ensure that the trend of increase in *per capita* income disparity is finally arrested and a decisive acceleration is achieved in the tempo of economic activity in East Pakistan. If the projected growth rates for next year are achieved fully, the average annual growth rate in East Pakistan in the first four years of the Third Plan will be nearly 6 per cent. This will be a very creditable achievement, even though it is still somewhat short of the Third Plan target of 7 per cent.

CHAPTER IV

GROWTH TARGETS FOR 1968/69

One of the basic objectives of the Annual Plan for 1968/69 is to provide maximum possible incentives for exploiting the full growth potential of the economy. In line with this general objective, it has been decided to fix the following specific targets :

(*a*) The growth rate in the GNP should be at least 7 per cent during 1968/69. This appears to be in line with the growth possibilities existing in the economic system and will also ensure that the overall Plan target of 6.5 per cent Per annum is met.

(*b*) A determined effort will be made to achieve a higher growth rate in East Pakistan compared to West Pakistan so as to reduce regional disparity.

(*c*) The production in the industries sector should be accelerated so that a balanced and complementary development of agriculture and industries sectors is ensured.

2. It is difficult to forecast the precise growth potential in various sectors of the economy during 1968/69. The objective should be to ensure that liberal incentives are given and the general economic policy framework is so devised as to lead to a fuller utilization of the economic opportunities in the system within the constraint of resources. Since about 90 per cent of the total national production emerges from the private sector, no genuine investment proposition or production plan in the private sector should be frustrated for lack of adequate policy support.

Overall Growth Rate

3. During the first three years of the Third Plan, the average annual growth rate in GNP is expected to be nearly 6 per cent. It is too early to firm up the GNP estimates for 1967/68 since these depend on final estimates of agricultural crops. The preliminary estimates prepared by the two Provincial Governments show that East Pakistan may achieve a growth rate of 8.6 per cent while West Pakistan may attain 8.0 per cent in 1967/68. This projection is naturally influenced considerably by the growth prospects in the agriculture sector. The East Pakistan projection assumes that rice production will increase by 15 per cent from a level of 9.4 million tons in 1966/67 to 10.8 million tons in 1967/68. The projection for West Pakistan assumes that wheat production will increase by 40 per cent from a level of 4.3 million tons in 1966/67/to 6.0 million tons in 1967/68. Any change in these assumptions would greatly influence the overall growth rate in GNP as well as the regional and sectoral pattern of this growth. As such, the forecast for 1968/69 cannot, for the time being, proceed from any firm bench-marks, particularly in the agriculture sector. If agricultural production reaches or exceeds the present estimates for the current year, it would correspondingly imply a lower growth rate during 1968/69 as the economy will be proceeding from higher bench-marks than assumed in these calculations.

4. Tentatively, the detailed targets being fixed by the Provincial Governments yield a growth rate of roughly 6 per cent in both the wings for the next year on the assumption that an average growth rate of over 8 per cent will be achieved during 1967/68. For purposes of projections, it is safer to take the two years (1967/68 and 1968/69) together. In that case, it can be said with greater assurance that a growth rate of about 14 to 15 per cent in GNP will be achieved during this two year period. The time path and distribution of this growth rate over the two years is difficult to predict, in view of the uncertainties of forecasting in the agriculture sector, but this implies an average growth rate of about 7 per cent per annum in two years. This growth rate compares with an achievement of 5.5 per cent per annum in the Second Plan and nearly 5 per cent in the first two years of the Third Plan. The comparative data are given in Table 1 below :—

TABLE 1—*Overall Growth Rates*

(Percentage)

	Annual Average Second Plan	1965/66	1966/67	1967/68	1968/69	Average 1967/68 & 1968/69
All Pakistan	5.5	4.7	5.3	8.3	6.0	7.1
East Pakistan	4.4	4.8	3.9	8.6	6.0	7.3
West Pakistan	6.4	4.5	6.3	8.0	6.0	7.0

5. As can be seen from the above Table, the regional growth rates have shown considerable variations from one year to the next. During the Second Plan period, the average annual growth rate in East Pakistan was 4.4 per cent compared to 6.4 per cent in West Pakistan. The Third Plan aimed at a growth rate of 7 per cen in East Pakistan and 6.1 per cent in West Pakistan so as to reduce regional disparities by about 25 per cen t over the Plan period. In actual fact, the growth rate in East Pakistan in the first two years of the Third Plan was fairly depressed, owing largely to the stagnation in the production of rice, so that an average growth rate of only 4.4 per cent per annum was achieved compared to the 7 per cent target. The experience was som what better in West Pakistan where the growth rate was 5.4 per cent compared to the target of 6.1 per cent. The high growth rates likely to be experienced during 1967/68 will raise the average for the first three years of the Third Plan to 5.8 per cent in East Pakistan and 6.3 per cent in West Pakistan.

Regional Growth Rates

6. It is clear from the above evidence that the growth rate in East Pakistan has been lagging behind Plan targets and even the higher growth prospects in 1967/68 and 1968/69 are not likely to make up entirely for the shortfall experienced in the first two years. However, as can be seen from Table 2, East Pakistan is expected to achieve an average growth rate of 7.3 per cent compared to 7.0 per cent in West Pakistan during 1967/68 and 1968/69 and, therefore, the trend towards increasing disparities would be arrested. If an average growth rate of 7 per cent per annum can be maintained in East Pakistan in future years through vigorous policies, this should be a very creditable achievement and holds out the prospect of narrowing the gap in the economic performance of the two regions. It should also be noted that the projected performance in 1967/68 and 1968/69 will raise the average annual growth rate in East Pakistan to nearly 6 per cent for the first four years of the Third Plan which is a very encouraging development. It also shows a considerable acceleration from the growth rate of 4.4 per cent achieved in the Second Plan period.

TABLE 2.—*Regional Growth Rates*

(Percentage)

	Annual average Second Plan		Average 1965/66 & 1966/67		Average 1967/68 & 1968/69	
	East Pakistan	West Pakistan	East Pakistan	West Pakistan	East Pakistan	West Pakistan
Gross Domestic Product	4.4	6.4	4.4	5.4	7.3	7.0
Agriculture Sector	3.0	3.8	—0.5	3.6	7.4	7.5
Non-Agriculture Sector	6.5	8.5	10.5	6.7	7.1	6.7

Sectoral Growth Rates

7. The Third Plan aimed at a balanced growth rate of the agriculture and industries sectors, projecting an annual increase of 5 per cent in agricultural production and 10 per cent in industrial production. This balance was disturbed in the first two years of the Third Plan when the average growth rate in agriculture was only 1.4 per cent per annum compared to 6.8 per cent in industrial production. The slow rate of increase in agricultural production also affected the growth of the industries sector during these years as there was a lower availability of raw materials, smaller exportable surpluses and limited purchasing power for industrial goods in the rural areas. During 1967/68, the imbalances are likely to be redressed but in the reverse direction. The agricultural growth rate is projected at 10.4 per cent compared to the industrial growth rate of 8.3 per cent. This will imply a considerable pressure on the industries sector arising out of the larger incomes in the agriculture sector and, unless the growth rate in the industries sector is stepped up in 1968/69, the prices of industrial goods will be under constant pressure and exportable surpluses are likely to diminish owing to larger domestic absorption. In the first three years of the Third Plan, industrial growth rate is likely to be only 7 per cent per annum as against the Plan target of 10 per cent. It is, therefore, a conscious strategy of the Annual Plan for 1968/69 to accelerate the growth of the industries sector. For this reason, a minimum target of 14 per cent increase in large-scale industrial production is being aimed at as against 10.5 per cent implicit in the projections made by the Provincial Governments. If this is achieved and if the agricultural growth prospects materialize as indicated in the detailed tables in this Chapter, it should be possible to achieve a growth rate of 7 per cent in 1968/69 on top of the good performance in 1967/68. This will also raise the average growth rate for the first four years of the Third Plan fairly close to the Third Plan target of 6.5 per cent as indicated in Table 3 below :-

TABLE 3—*Sectoral Growth Rates*

(Percentage)

	Annual Average Second Plan	1965/66	1966/67	1967/68	1968/69	Annual Average Third Plan (4 years)	Third Plan Target (5 years)
Agriculture	3.4	2.0	0.9	10.4	4.7	4.3	5.0
Manufacturing	10.0	5.1	8.5	8.3	8.2	7.6	10.0
Large-scale	(15.0)	(6.3)	(11.0)	(10.5)	(10.5)	(9.6)	..
Small-scale	(2.6)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	..
Other sectors	7.2	7.8	9.3	5.9	7.5	7.6	7.2
Total ..	5.5	4.7	5.3	8.3	6.0	6.0	6.5

Agricultural Targets

8. The agricultural production targets for 1968/69 are indicated in Table 4 and are compared with the expected performance of 1967/68 and the actual level of 1966/67. It should be emphasized that these targets have to be kept under constant review by the Agricultural Policy Committees in the light of the developing situation. They should be regarded at the present stage as only a provisional framework for projections for the next year. The detailed rationale of these targets and the policy measures and physical inputs underlying them are explained in Chapter X. In interpreting the targets for 1968/69, it should be remembered that the favourable weather in 1967/68 is likely to take agricultural production to a record peak from where it would be difficult to manage a further major increase in production next year. Thus, if the growth rate of 10.4 per cent in the agriculture sector does materialise in 1967/68, as currently forecast by the two Provincial Governments, the growth rate next year will be only 4.7 per cent from these high levels and it will become even more urgent that non-agricultural growth rate should be accelerated if the economy is to maintain its high levels of growth and investment.

TABLE 4—*Estimated and Projected Agricultural Production*

(Million tons)

Crop	West Pakistan			East Pakistan		
	1966/67	1967/68	1968/69	1966/67	1967/68	1968/69
Wheat	4.30	6.00	6.30	..	..	..
Rice	1.30	1.40	2.10	9.4	10.8	11.5
Maize	0.58	0.78	1.00	..	..	..
Barley	0.09	0.10	0.10	..	..	..
Gram	0.52	0.65	0.62	..	..	..
Jawar	0.21	0.23	0.25	..	..	..
Bajra	0.37	0.41	0.35	..	..	..
Oilseeds	0.94	1.31	1.46	..	..	..
Cotton (million bales)	2.50	2.70	3.10	..	..	..
Tobacco	0.14	0.16	0.18	..	..	..
Sugarcane	21.6	21.3	22.8	7.7	8.2	8.5
Jute (Million bales)	..	..	..	6.4	6.8	7.5
Tea (million lbs)	..	..	...	64.0	68.0	71.0

Source.—Submission to Annual Plan Co-ordination Committee, West Pakistan, April 15,1968; East Pakistan, April, 1968. Targets for 1968/69 are for major crops, taken from the decisions of the first meeting of the Annual Plan Co-ordination Committee.

Industrial Targets

9. The major policy instrument for accelerating the growth rate in the industries sector during 1968/69 will be larger availability of industrial raw-materials and spares and fuller utilization of existing industrial capacity. It is tentatively estimated that in order to achieve a growth rate of 14 per cent in the large scale industries sector, the provision of industrial raw-materials and spares will have to be increased by about 25 per cent compared to the current year. The physical targets in some of the selected industries are indicated in Table 5. A detailed discussion of these targets is given in Chapter XI.

TABLE 5—*Estimated and Projected Industrial Production*

Product	Unit	1965/66	1966/67	1967/68*	1968/69	Third Plan Target
1. Jute Goods	Thousand tons	409.4	402.8	576	685	800
2. Cotton Yarn	Million lbs.	500.7	528.2	550	640	720
3. Paper and Paper Board ..	Thousand tons	99.5	96.7	106	124	300
4. Cigarettes	Billions	26.5	32.0	35	38	30
5. Vegetable Ghee	Thousand tons	105.5	87.9	104	140	140
6. White Sugar	Do.	456.0	416.5	455	550	640
7. Soda Ash	Do.	31.5	31.0	50	68	172
8. Ammonium Sulphate ..	Do.	38.4	42.2	50	71	..
9. Ammonium Nitrate ..	Do.	85	85	93	106	..
10. Urea	Do.	132	140.1	150	205	..
11. Super Phosphate**	Do.	3.2	1.6	3.0	14.0	200.0
12. Petroleum Products ..	Million Tons	2.24	2.5	3.0	3.9	..
13. Cement	Thousand tons	1,650	2,000	2,100	3110	6,000
14. Jute Pressing (Export only) ..	Million bales	4.33	3.54	3.0	3.5	..
15. Cotton Ginning	Do.	2.35	2.53	2.6	2.8	..

* Based on performance during the first eight months of the year.
** In terms of Triple Super-phosphate.

Consistency of the Growth Targets

10. Ideally, it should be ensured that growth projections in various sectors in an Annual Plan are internally consistent and all the physical inputs like steel, cement, electricity etc., and financial requirements of foreign exchange and domestic resources are fully provided for in various sectors of the economy. It has been possible to carry out these exercises of internal consistency and material balances only in a limited manner in the formulation of the Annual Plan for 1968/69. This is an aspect which requires considerable attention and improvement in the preparation of the future Annual Plans.

CHAPTER V

RESOURCES AND FINANCING

Detailed exercises have been carried out to determine the overall availability of resources for investment and consumption in 1968/69 and to allocate priorities in the uses of these resources. The basic idea underlying these exercises has been to mobilize maximum possible resources for development without jeopardising monetary stability or placing an unbearable strain on domestic consumption or the balance of payments. The projected sources and uses of national resources in 1968/69 are shown in Table 1.

TABLE 1—*Sources and Uses of National Resources*

(Million Rupees)

	1966/67	1968/69
1. GNP at market prices	63,960	69,880
2. Total Current Payments	6,900	7,900
3. Total National Resources (1+2)	70,860	77,780
4. Current Private Consumption	50,710	54,230
5. Current Government Consumption	6,090	6,480
6. Total Current Consumption (4+5)	56,800	60,710
7. Export Earnings	3,580	4,150
8. Total Availability for Development Expenditure (3—6—7)	10,480	12,920
9. Indus Basin & Tarbela investment	960	1,000
10. Inventories	500	600
11. Non-monetized investment	580	620
12. Available for Planned Development Expenditure (8—9—10—11) ..	8,440	10,700
13. Net External Resources Inflow (2—7)	3,320	3,750
14. Non-Investment Development Expenditure	1,170	1,850
15. Total Investment (8—-14)	9,310	11,070
16. National Savings (15—13)	5,990	7,320
17. Marginal Rate of Saving (1966/67 to 1968/69) (Per cent)	22.6	

Total National Resources

2. The above table is only illustrative and does not provide any precise estimate of resources available for development expenditure in 1968/69. It is based on the following main assumptions :

(*i*) The GNP in real terms will increase by 15 per cent between 1966/67 and 1968/69.

(*ii*) Total consumption will increase at about the same rate as GNP, *i.e.* 15 per cent.

(*iii*) The overall price level will decline by about 5 per cent during this period but the consumption prices will fall by more, *i.e.* 7 per cent, because of the expected fall in food prices.

(*iv*) The disbursements of foreign assistance will increase by Rs. 430 million between these two years.

3. In fixing a definitive target for 1968/69, the Committee faced the difficulty of not having sufficient information about the actual size of development expenditure in the current year, particularly in the private sector. The estimates of private investment in the current year vary from Rs. 3,500 to 4,500 million. This investment consists of expenditure on tubewells, fertilizers, improved seeds, new industries, private construction, transport etc., the bulk of which is financed by private resources and savings. The total public and private sector development expenditure during the current year may be between Rs. 8,500 to 9,500 million. Depending on the actual level of development expenditure in the current year, the size of the development programme for next year can be between Rs. 9,500 to 10,500 million. In view of inadequate data for the private sector (for which basic studies are being initiated to improve the quality and quantity of information for the formulation of future Annual Plans), the Committee agreed on adopting the following approach for 1968/69 :

(*i*) A net programme of Rs. 5,700 million should be provided in the public sector, depending on the additional effort of the Provincial Governments.

(*ii*) An acceleration of about 10 per cent should be built into the investment programmes of the private sector.

(*iii*) An effort should be made to mobilise about 22 per cent of the *additional* income next year for saving and investment.

(*iv*) The development effort should be contained within safe limits of monetary expansion and credit creation.

Saving Potential

4. A determined effort will be made to mobilise a substantial part of additional incomes in the form of savings to attain the Plan target of 22 per cent marginal rate of saving.

(*i*) The marginal rate of saving in the current year (1967/68) is expected to be about 28 per cent. During the Second Plan period, over 20 per cent marginal rate of saving was attained. The experience of the first two years of the Third Plan, when marginal saving rate declined to 4 per cent, is no indication of the real saving potential of the economy.

(*ii*) Good agricultural crops will provide a cushion for an acceleration in investment effort during 1968/69.

(*iii*) It is not possible to increase the average saving rates and diminish dependence on foreign assistance unless marginal saving rate increases faster than the average saving rate.

(*iv*) There is considerable saving potential in the corporate industries sector and agriculture sector where higher incomes are mainly arising on middle-sized farms. Opportunities should be provided for the exploitation of this saving potential.

(*v*) It is expected that agricultural incomes will increase by roughly Rs. 3,000 million between 1966/67 and 1968/69. Unless measures are taken to divert a part of these incomes to investment, considerable pressure will arise on industrial goods prices and our exportable surpluses.

5. In order to mobilise additional savings of about 22 per cent during 1968/69, the Government will rely on : —

(*a*) Incentives for voluntary savings and reinvestment ;

(*b*) Additional taxation, particularly on consumption ;

(*c*) Deficit financing.

6. Most of the additional income is likely to arise in the commercial agriculture sector, corporate industries sector and Government sector. There is considerable evidence at present that a substantial part of higher agricultural incomes on middle-sized farms is being ploughed back into investment. The private investment in agriculture is estimated at around Rs. 750 million a year, mainly in the form of tubewells, fertilizer, new seeds, agricultural implements etc. A substantial part of this investment is self-financed, showing that a significant proportion of agricultural incomes is being saved on the farms. The corporate industries sector has been maintaining a marginal rate of saving of over 50 per cent in the past out of its

additional profits. It is expected that this sector will continue to make a major contribution to the mobilisation of overall savings in the economy. The projections of the growth in revenues in the Government sector and diversion of revenue surpluses to development during 1968/69, show an implicit marginal rate of saving of about 24 per cent out of additional revenues. Thus, it appears that additional incomes will largely arise in sectors which are likely to have a fairly high rate of marginal saving.

7. If it is found necessary that consumption should be restrained further through additional taxation, particularly in the agriculture sector, this will be considered seriously by the Government in order to ensure that saving potential is not frittered away. The larger agricultural surpluses expected during the current and next year will, in fact, call for price support operations in order to prevent any drastic fall in agricultural prices which would dampen farm incentives. This allows for some scope for deficit financing operations without any fear of price increase. As has been indicated earlier, a fall of 5 per cent in the overall price level is being assumed between 1966/67 and 1968/69 and the fiscal and monetary policies of the Government are predicated on these assumptions.

External Assistance

8. It is expected that disbursements of external assistance will show an acceleration next year over the level of 1966/67. Detailed projections are given in Table 2. In the Government sector, the increase in disbursements is likely to be fairly substantial from the accumulated project aid pipeline. However, in the private sector, project aid pipeline has declined by about $ 85 million in the first three years of the Third Plan and it would become difficult even to maintain the existing level of disbursements without a substantial increase in commitments of funds to this sector. This point is discussed later in Chapters VII and VIII.

TABLE 2 -- *Projections of External Resources*

(Million Rupees)

	1964/65	1965/66	1966/67	1967/68	1968/69
1. Project Assistance	1,055	1,262	1,230	1,500	1,750
2. Commodity Assistance	820	552	917	950	1,120
3. Technical Assistance	61	77	90	100	100
4. Foreign Private Investment	77	87	92	130	160
5. P.L. 480 Disbursements	752	420	437	650	500*
6. Indus Basin Fund Disbursements	448	464	367	300	540
7. Food Grants & Short Term Credits	..	..	167	70	..
8. Total Gross External Resources Inflow ..	3,213	2,862	3,300	3,500	4,170
9. Debt Repayment (principal only)	139	215	315	367	420
10. External Resources Inflow (excl. debt repayment)	3,074	2,647	2,985	3,133	3,750
11. Changes in Foreign Exchange Reserves ..	284	(—)312	470	..	..
12. Short-term Movement	(—)65	(—)29	(—)135	..	..
13. Net External Resources Inflow	3,293	2,364	3,320	3,133	3,750

*Includes counter-part funds earmarked for U.S. uses. Budgetery accruals are estimated at Rs. 350 million.

Public Sector Financing

9. Detailed projections have been made of the availability of financial resources for the public sector for the development programme in 1968/69. The total domestic resources of the Central and Provincial Governments available for development are expected to be Rs. 2,481 million for 1967/68. During 1968/69 the foreign assistance disbursements are projected at Rs. 2,580 million. The net size of the public sector programme being Rs. 5,700 million the balance *i.e.*, Rs. 3,120 million will be mobilised by the Central and Provincial Governments. The proportion of foreign and domestic resources will be 55 : 45.

Private Sector Financing

10. Since the private sector is being included in the Annual Plan for the first time in 1968/69, satisfactory procedures for determining its size and regional and sectoral priorities can be evolved only over a period of time. At the present stage, the size of private investment should be regarded as notional and our policies should be such that the full saving potential of the private sector can materialise into actual investment. For this purpose, special attention should be paid to the lending policies of the financial institutions (PICIC, IDBP, ADBP, HBFC, NIT, ICP, etc.), provision of foreign exchange to the private sector and formulation of suitable credit and fiscal policies consistent with monetary and price stability and with due regard to safeguarding the balance of payments position.

11. The financial institutions have been lending a total amount of Rs. 600 to 700 million in the private sector in recent years. It may be possible to finance a programme of about Rs. 1,000 million during 1968/69. An effort will be made to secure about Rs. 700 million of foreign credits for these institutions. Another Rs. 150 million will be channelled to them through the Government budget. It is expected that these institutions will be able to raise the balance from the domestic capital market. Thus, it should be possible for them to increase their lending to the private sector from the present level of about Rs. 700 million to about Rs. 1,000 million during 1968/69.

TABLE 3— *Total Development Expenditure during* (1960/61 to 1966/67)

(Million Rupees)

	Public Sector Development Expenditure	Private Sector Development Expenditure	Total Plan Development Expenditure	Yearly Increase in Development Expenditure
1960/61	1,829	2,096	3,925	—
1961/62	2,367	2,553	4,920	995
1962/63	2,831*	2,619	5,450	530
1963/64	3,596	2,879	6,475	1,025
1964/65	3,965	3,571	7,536	1,061
1965/66	3,113	3,220	6,333	(—)1,203
1966/67	4,150	4,000	8,150	1,817

Source : (*i*) Final Evaluation Report of the Second Plan —December 1966.

(*ii*) The Mid-Plan Review of the Third Plan —April 1968.

*Includes expenditure under Works Programme during the Second Plan period.

CHAPTER VI

PUBLIC SECTOR DEVELOPMENT PROGRAMME

Size of the Programme

The implementation of the development programme in the public sector during the first three years of the Third Plan has lagged considerably behind Plan target. The total implementation during this period of three years will be about 41 per cent against the Plan size of Rs. 30,000 million. It is imperative that a major acceleration in the development programme is managed next year in order to prevent huge shortfalls in the financial implementation of the Plan and to establish reasonable bench-marks for the Fourth Plan period. Keeping in view both the requirements and the likely availability of resources, the size of the public sector development programme has been fixed at Rs. 6,400 million (gross) and Rs. 5,700 million (net).

2. The regional break-down of the proposed size of Rs. 6,400 million (gross) by excuting agencies is given below :

	(Million Rupees)
East Pakistan	2,964
West Pakistan	2,386
Centre	1,055
Total ..	6,405 (say 6,400)

If the Central expenditure is divided between the two provinces according to location/benefit of projects, the share of East Pakistan in the total development expenditure will be Rs. 3,420 million, *i,e.*, 53 per cent of the total allocation. The share of West Pakistan will be Rs. 2,985 million, *i.e.*, 47 per cent. This is in line with the Third Plan allocations for the two regions.

Priorities

3. In the formulation of the public sector development programme, the following order of priorities has been kept in mind :

(*i*) Agriculture sector has been accorded the highest priority. All essential programmes for attainment of food self-sefficiency, as laid down by the Agricultural Policy Committees, are fully protected.

(*ii*) Projects/programmes in the Water and Power sector which have a direct bearing on the increase in food production and augmentation of power and transmission facilities have been provided for.

(*iii*) Aided projects are fully protected and provision made according to the schedule of disbursement.

(*iv*) On-going projects in a fairly advanced stage of implementation have been adequately provided for with a view to completing them early.

(*v*) Schemes/programmes having a relatively shorter gestation period have been given preference.

(*vi*) Construction content of programmes has been kept at the minimum possible level.

(*vii*) Adequate allocation has been made for the Works Programme as it has a great potential for the creation of income and employment opportunities in the rural areas.

(*viii*) No new scheme, unless it is absolutely esential, has been taken up.

Sectoral Composition of the Programme

4. The sectoral composition of the programme is given in the following table. The detailed Annual Development Programmes for the Centre, East Pakistan and West Pakistan are being published, separately as annexures to the Annual Plan.

SECTORAL DISTRIBUTION OF THE PUBLIC SECTOR DEVELOPMENT PROGRAMME
(1968/69)

(Million Rupees)

Sectors	Third Plan Allocations	%	Proposed llocations for 1968/69	%
1. Agriculture	4,115	13.2	881	13.7
2. Water and Power	8,047	26.0	1,827	28.5
3. Manufacturing	3,513	11.3	793	12.5
4. Mining	592	1.9		
5. Transport and Communications	6,711	21.7	1,303	20.4
6. Physical Planning and Housing	2,477	8.0	471	7.4
7. Education and Training ..	2,374	7.6	426	6.6
8. Health	1,175	3.8	245	3.8
9. Social Welfare	90	0.3	21	0.3
10. Manpower	86	0.3	16	0.2
11. Works Programme	1,820	5.9	416	6.5
12. Block Provision — ...	..	..	6	0.1
Total ..	31,000	100.0	6,405	100.0

Several issues require consideration in this context :

(i) The implementation in the social sectors (education, health, social welfare etc.) in the first three years of the Third Plan has been only 35 per cent compared to the overall implementation of 41 per cent. Efforts should be made in the balance of the Plan period to accelerate this programme.

(ii) Adequate provision should be made in the non-development budget for the recurring expenditure of development schemes, otherwise considerable unutilized capacity will emerge in educational institutions and other programmes in the social sectors.

5. The break-down of the development programme by sectors and by the executing agencies is given in Table 2 below :—

TABLE 2— *Development Programme for* 1968/69 *by Executing Authorities and by Sectors*

(Million Rupees)

Sectors	East Pakistan	West Pakistan	Centre	Total
1. Agriculture	440.1	352.0	88.8	880.9
2. Water and Power	871.0	811.6	144.8	1,827.4
3. Manufacturing and Mining	468.0	177.5	147.3	792.8
4. Transport and Communications	358.8	487.6	457.2	1,303.6
5. Physical Planning and Housing	192.0	133.6	145.2	470.8
6. Education and Training	234.8	153.6	37.4	425.8
7. Health and Medical Services..	121.2	100.5	23.1	244.8
8 Social Welfare Services	9.0	7.5	4.9	21.4
9. Manpower Traning and Labour	8.0	6.7	1.5	16.2
10. Works Programme	261.1	150.0	4.7	415.8
11. Block Provision	..	5.7	...	5.7
Total (Gross) ..	2,964.0	2,386.3	1,054.9	6,405.2

Note:—The detailed allocations for West Pakistan in the Sectoral Chapters (X to XIX) are based on earlier information and will be revised in line with the above table.

Regional Development

6. The development programme for 1968/69 has been prepared in line with the regional distribution indicated in the Third Plan. In the next year's programme, East Pakistan has been allocated Rs. 2,964 million as against Rs. 2,386 million for West Pakistan, thereby giving her an edge of Rs. 578 million. This has been consciously done so that the disparity gap between the two wings is narrowed down. If the Central expenditure for 1968/69 is divided between the two wings according to location/benefit, the share of East Pakistan in the total development programme works out to be 53 per cent of the total allocation.

7. The Table 3 below explains the distribution of development expenditure incurred so far by location/benefit of projects :—

TABLE 3—*Development Expenditure during the Third Plan period by Location/Benefit of Projects*

(Million Rupees)

	East Pakistan			West Pakistan			Total All Pakistan (Central & Provl. combined)
	Central	Provl.	Total	Central	Provl.	Total	
1	2	3	4	5	6	7	8
Third Plan Allocation (Net)	2,139	13,861	16,000	2,323	11,677	14,000	30,000
1965/66 (Actual)	218	1,254	1,472	333	1,308	1,641	3,113
1966/67 (Actual)	317	1,873	2,190	483	1,477	1,960	4,150
1967/68 (Estimated Actual)	423	2,292	2,715	457	1,828	2,285	5,000*
1968/69 (Net) ..	418	2,637	3,055	519	2,126	2,645	5,700
Total (1965—69)	1,376	8,056	9,432	1,792	6,739	8,531	17,963

**Note:*—The latest estimates indicate a total development expenditure in the public sector of Rs. 4,825 million.

8. The implementation in the first four years is expected to be Rs. 17,963 million of the Plan out of which Rs. 9,432 million would be spent in East Pakistan and Rs. 8,531 million in West Pakistan which comes to about 52.5 per cent for East Pakistan and 47.5 per cent for West Pakistan. The imbalance in expenditure in 1965/66 due to the war has been largely rectified, but further efforts will be needed in the remaining period of the Plan so that the Plan proportion of 53 : 47 of public sector development expenditure between East and West Pakistan is attained.

Analysis of the Sectoral Composition

9. An analysis of the development expenditure up to 1967/68 by sectors reveals that the rate of implementation in the productive sectors has been 41 per cent while in the social sectors it is 35 per cent. In the development programme for 1968/69 greater attention has been paid to social sectors to make up some of the shortfalls in more important sub-sectors.

10. Table 4 below indicates the sectoral implementation in the first three years and the proposed programme for 1968/69 :—

Table 4—*Development Expenditure during the Third Plan Period by Sectors*

(Million Rupees)

Sectors	Third Plan Allocation	1965/66 (Actual)	1966/67 (Actual)	1967/68 (Estimated actual)	ADP 1968/69	Total 1965-69	Percentage Implementation during 1965-69
1	2	3	4	5	6	7	8
1. Agriculture	4,115	339	422	580	881	2,222	54.0
2. Water and Power ..	8,047	883	1,325	1,600	1,827	5,635	70.0
3. Manufacturing ..	3,513	388	485	550	793	2,216	54.0
4. Mining ..	592						
5. Transport and Communications ..	6,711	742	1,032	1,120	1,303	4,197	62.5
6. Physical Planning and Housing	2,477	277	347	425	471	1,520	61.4
7. Education and Training	2,374	142	235	305	426	1,108	46.6
8. Health and Medical Services	1,175	143	148	195	245	731	62.3
9. Social Welfare Services	90	6	8	15	21	50	55.5
10. Manpower Training and Labour	86	4	7	10	16	37	43.3
11. Works Programme ..	1,820	189	141	200	416	946	52.0
12. Block Provision —	..	..	..	..	6	6	..
Total (Gross) ..	31,000	3,113	4,150	5,000*	6,405	18,668	59.9
Less shortfall ..	1,000	—	—	—	705	705	—
Total (Net) ..	30,000	3,113	4,150	5,000*	5,700	17,963	59.9

**Note*:—The latest estimates indicate a total development expenditure in the public sector of Rs. 4,825 million.

CHAPTER VII

PRIVATE SECTOR DEVELOPMENT PROGRAMME

It should be emphasised that the nature of the private sector programme differs considerably from the public sector development programme because allocations in this sector are permissive rather than obligatory. The idea is to establish a reasonable framework within which private investment can take place and genuine investment propositions are not frustrated for lack of adequate incentives or provision of financial and physical resources. As such, the size of the private sector programme was to be largely notional at this stage since sufficient information is not available even about the actual size and character of the existing private investment. An attempt will be made to improve the availability and quality of information in this sector so that the Annual Plan for 1969/70 can be based on more adequate data.

2. The size of the private sector programme will provide for an acceleration of about 10 per cent per annum from the actual level of investment in 1966/67. This is less than the rate of increase experienced in the private sector during the Second Plan period. There is no reason why the private sector cannot exceed this rate during 1968/69. In fact, every effort will be made to ensure that private investment is in excess of present forecasts.

3. An analysis has been carried out of the sectoral distribution of private sector development expenditure in the last three years which is given in Table 1. According to this analysis, about 50 per cent of total private sector development expenditure went into the industrial sector, 14 per cent to agriculture, 9 per cent to transport and 20 per cent to construction. These estimates are based on recent studies made by the Central Slatistical Office. The estimates are being checked up at present and should be regarded as only illustrative at this stage.

TABLE 1—*Estimates of Private Sector Development Expenditure*

(Million Rupees)

	1964/65	1965/66	1966/67	Total 1964/65 to 1966/67
1. Agriculture	346	435	700	1,481
(*a*) Fixed investment	(206)	(293)	(437)	(936)
(*b*) Non-investment development expenditure	(140)	(142)	(263)	(545)
2. Mining and Quarrying	19	14	15	48
3. Manufacturing	1,995	1,498	1,991	5,484
(*a*) Large-scale	(1,777)	(1,274)	(1,765)	(4,816)
(*b*) Small-scale	(218)	(224)	(226)	(668)
4 Construction	606	733	778	2,117
5. Electricity and Gas	207	150	198	555
6. Transport and Communications ..	361	350	265	976
7. Banking and Insurance	37	40	53	130
Total ..	3,571	3,220	4,000	10,791

It is difficult to predict the pattern of private investment during 1968/69 but some overall priorities have been established:—

(*i*) Facilities will be provided for an increase in investment in the agricultural sector in view of the large agricultural incomes which are expected to arise in the rural areas. Thus, greater provision of financial and physical resources will be ensured for small-scale rural industries, installation of private tubewells and availability of agricultural implements as well as a much larger distribution of fertilizer and improved seeds.

(*ii*) The present level of investment in luxury construction will be curtailed through suitable policies.

(*iii*) Private investment in the transport sector will be encouraged through more adequate availability of commercial vehicles and other policy adjustments.

4. In line with these general principles, a tentative sectoral distribution of the programme in the private sector has been prepared which is given in Table 2 below :—

TABLE 2.—*Proposed Distribution of Private Sector Development Programme for* 1968/69

	Percentage
1. Agriculture	20
2. Manufacturing and Mining	50
(*a*) Large-scale	(44)
(*b*) Small-scale	(6)
3. Construction	16
4. Transport and Communications	8
5. Other sectors	6
Total	100

5. According to the figures compiled by the the Central Statistical Office, the regional distribution of total private investment has been 22 per cent for East Pakistan and 78 percent for West Pakistan. These estimates are given in Table 3. Thus, the actual level of private investment in East Pakistan is well below the Plan target of 50 per cent. It will be unrealistic to assume that private investment in East Pakistan can be raised immediately from 22 per cent of the total investment to 50 per cent in the next year but a determined effort will be made to direct a more adequate proportion of total private investment to East Pakistan. This will entail some flexibility in the lending operations of the financial institutions and the adoption of concrete measures on the part of the Provincial Governments to give positive encouragement to private investment. The Annual Plan for 1968/69 will try to ensure that the distribution of financial and physical resources to East Pakistan is such as to lead to a considerable acceleration in its private sector investment.

TABLE 3—*Private Investment by Regions*

Year	Million Rupees		Percentage Distribution	
	East Pakistan	West Pakistan	East Pakistan	West Pakistan
1963/64	548	2,091	21	79
1964/65	817	2,614	24	76
1965/66	681	2,397	22	78
1966/67	819	2,918	22	78
Total ..	2,865	10,020	22	78

6. As explained earlier, it is not the intention of the Government to fix a rigid size for private investment and to control its volume and distribution within that size. What is necessary is to concentrate on certain firm elements of policy in the private sector while leaving the total size of investment to be determined automatically by these policies. These firm elements are : lending policies of the financial institutions, provision of foreign exchange to the private sector, and fiscal and credit policy in general for private investment.

Programmes of Financial Institutions

7. The financial institutions have indicated certain preliminary estimates of their total requirements for lending during 1968/69. These estimates are reproduced in Table 4 below:—

TABLE 4—*Requirements of Financial Institutions in* 1968/69

(Million Rupees)

		Foreign Currency	Local Currency	Total
PICIC	(Pakistan Industrial Credit and Investment Corporation) ..	384	30	414
IDBP	(Industrial Development Bank of Pakistan) ..	420	151	571
ICP	(Investment Corporation of Pakistan). ..	..	325	325
NIT	(National Investment Trust) ..	..	7	7
ADBP	(Agricultural Development Bank of Pakistan)..	224	65	289
HBFC	(House Building Finance Corporation) ..	..	40	40
	Total ..	1,028	618	1,646

Source : Based on the submissions of the financial institutions to the Annual Plan Co-ordination Committee.

8. The total requirements come to Rs. 1,646 million, of which Rs. 1,028 million is in foreign currency and Rs. 618 million in local currency. This is considerably above the actual lending by these institutions in the last few years as shown in Table 5. While it is not possible to accommodate all the requirements of the financial institutions, an attempt is being made to provide for a significant increase in their lending during next year. It may be possible to finance a programme of about Rs. 1,000 million during 1968/69. An effort will be made to secure about Rs. 700 million of foreign credits for these instiutions. Another Rs. 150 million will be channellized to them through the Government budget. It is expected that these institutions will be able to raise the balance from the domestic capital market. Thus, it should be possible for them to increase their lending to the private sector from the present level of about Rs. 700 million to about Rs. 1,000 million during 1968/69.

TABLE 5—*Actual Disbursements by Financial Institutions*

(Million Rupees)

	1965/66	1966/67
IDBP		
Foreign currency	98	139
Local currency	31	48
Total ..	129	187
PICIC		
Foreign currency	153	162
Local currency	..	2
Total ..	153	164
ADBP		
Foreign currency	..	..
Local currency	110	148
Total ..	110	148
HBFC		
Foreign currency	..	..
Local currency	63	58
Total ..	63	58
NIT	12	16
ICP	..	62
Total ..	12	78
Total (Foreign Currency) ..	251	301
Total (Local Currency)	216	334
Grand Total ..	467	635

9. The lending operations of the financial institutions will be conducted in such a manner as to improve the prospects for implementing Plan targets in the two wings. Analysis of past sanctions shows that about 43 per cent of the total advances by the financial institutions have gone to East Pakistan (Table 6). Every effort will be made to increase this proportion in 1968/69.

TABLE 6—*Sanctions by Financial Institutions During 1966/67*

	Million Rupees			Percentage Distribution	
	East Pak.	West Pak.	Total	East Pak.	West Pak.
IDBP	151	173	324	47	53
PICIC	80	112	192	42	58
ADBP*	47	100	147	32	68
HBFC	30	30	60	50	50
Total	308	415	723	43	57

*Note : Disbursement figures are used as sanction figures are not available.

CHAPTER VIII

BALANCE OF PAYMENTS PROSPECTS

The balance of payments situation in the first three years of the Third Plan was under considerable strain despite a satisfactory export performance because actual disbursements of foreign assistance were 22 per cent less than expected and the increase in the country's own foreign exchange resources was almost entirely absorbed by larger and unforeseen defence and food imports. Development imports during the first three years are expected to be 24 per cent less than the Plan projections leading to a severe shortage of raw materials in the economy.

2. The main objectives of the balance of payments strategy in the Third Plan was to prepare the economy for a gradual reduction in the need for foreign assistance and to move towards greater economic viability. This was to be achieved by increasing exports at a rate faster than GNP, intensifying import substitution in capital goods and economizing on the use of foreign exchange by developing an appropriate technology and introducing a more realistic price for foreign exchange. In the first half of the Plan period, exports did increase at a rate faster than GNP but the import substitution programme in capital goods had to be slowed down. A sizeable proportion of additional foreign exchange earnings was also absorbed by larger defence and food imports. The dependence of the economy on foreign assistance for development imports as a result increased from 63 per cent of the total in 1964/65 to 77 per cent in 1967/68. One of the main objectives of the Annual Plan for 1968/69 will be to correct this trend to bring it in line with the original Plan strategy. More specifically, it is proposed to :—

(*a*) maintain and strengthen the momentum of the export effort ;

(*b*) increase the flow of industrial raw materials and other development imports in the economy ;

(*c*) introduce greater selectivity in the use of foreign assistance to bring it in line with the revised order of priorities ; and

(*d*) reformulate the future debt management policy to achieve a more appropriate blend of credits on hard and soft terms and reduce future increments in the country's debt liability.

3. In July 1967, Government appointed a Committee under the Deputy Chairman, Planning Commission, to review various policies affecting the balance of payments situation. By then, it was apparent that the assumptions on which the balance of payments projections and policies of the Plan were based had ceased to be valid, and it was necessary to review the entire situation.

4. The Committee has completed a comprehensive review of the balance of payments situation and policies through four Working Groups on export policy, import policy, resource projections and debt servicing. The Committee has already made recommendations to accelerate exports, rationalize the import policy, mobilize additional resources and reshape the country's future debt management policy. This co-ordinated policy review andGovernment decisions on the recommendations has facilitated the identification and realization of the balance of payments objectives referred to above.

Export Targets and Policies

5. Foreign exchange earnings increased from Rs. 3,015 million in 1964/65 to Rs. 3,580 million in 1966/67, or at about 9 per cent per annum between 1964/65 and 1966/67, which was in line with the Third Plan export targets. Latest estimates for 1967/68 indicate an increase of 5 to 6 per cent over 1966/67.

6. The overall increase of 8.5 per cent in the first three years of the Plan is composed of an increase of 25 per cent per annum in manufactured exports and only 1.5 per cent per annum in primary exports against the original Plan targets of 20 and 4.5 per cent per annum respectively. The relatively slower growth of primary exports was partly due to depressed agricultural production and partly due to the diversion of hides and skins and raw wool to the domestic leather and woollen goods industries. The prospects of larger primary exports in 1968/69 have brightened considerably on account of the possibility of sizeable export surpluses of new agricultural exports, particularly Irri rice and maize. The realization of these possibilities will, however, require suitable changes and improvements in incentives and institutional arrangements for agricultural exports.

7. The export targets as approved by the Government for 1968/69 with corresponding data for the preceding four years is shown in Table 1 below :—

TABLE 1—*Foreign Exchange Receipts for* 1964/65 *to* 1968/69

(Million Rupees)

	1964/65[1] (Actuals)	1965/66 (Actuals)	1966/67 (Actuals)	1967/68 (Estimates)	1968/69 (Targets)	Plan Target for 1969/70
A.—Primary Commodities :						
1. Raw Jute	925.9	977.8	909.2	900.0	900.0	750.0
2. Raw Cotton	330.5	286.3	260.9	405.0	439.0	550.0
3. Hides and Skins	61.2	30.0	13.3	16.0	13.0	80.0
4. Raw Wool	73.1	67.4	39.8	40.0	50.0	90.0
5. Rice	116.7	127.0	149.8	185.0	190.0	250.0
6. Irri Rice	..	..	..	..	100.0	..
7. Fish (Fresh, dried)	34.6	21.8	21.1	25.0	30.0	100.0
8. Others	106.0	152.9	170.3	145.0	167.0	230.0
Total (A) ..	1,648.0	1,663.2	1,564.4	1,716.0	1,889.0	2,050.0
B.—Manufactured Products :						
1. Jute Manufactures	319.9	591.7	630.8	650.0	720.0	800.0
2. Cotton Manufactures ..	188.3	229.6	256.4	350.0	370.0	350.0
3. Fish (processed)	53.3	43.3	48.0	40.0	55.0	150.0
4. Paper and Newsprint ..	6.1	5.1	4.5	6.0	6.0	50.0
5. Leather (Tanned) ..	58.3	77.2	113.3	100.0	110.0	650.0
6. Other Manufactures ..	197.0	158.7	302.6	308.0	300.0	
Total (B) ..	822.9	1,105.6	1,355.6	1,454.0	1,561.0	2,000.0
C.—Invisible Earnings :	611.9	707.4	660.0	680.0	700.0	750.0
Total Earnings ..	3,015.0	3,476.2	3,580.0	3,850.0*	4,150.0	4,800.0

[1] These are on a mixed c. f. basis and add up to Rs. 3,082.8 million. Break-down on f.o.b. basis is not available.

*This is a preliminary estimate. According to the latest trends, actual earnings may be around Rs. 3770 millions.

8. These targets visualize an increase of 10.7 per cent in primary exports and 6.5 per cent in manufactured exports over the estimated level of exports in 1967/68. If actual exports in 1967/68 are lower, the increase implicit in the targets will be larger.

9. The latest estimates show that the actual increase in export earnings during 1967/68 is likely to be about 5 to 6 per cent compared to the annual increase of 10 per cent in the previous two years. The devaluation of the pound and the consequent disruption of some of Pakistan's markets abroad naturally affected the level of export earnings during 1967/68. In fact, the volume of Pakistan's exports has increased substantially but this has been offset by a considerable decline in export prices. The world prices of jute and jute goods have declined by about 20 per cent. If these had remained constant at the level of the previous year, export earnings would have increased by about 18 per cent. This underscores the substantial loss Pakistan is suffering this year owing to a major fall in her export prices.

10. The Working Group on Export Policy appointed by the Committee on Balance of Payments Problems and Policies, referred to earlier, has carried out a detailed item by item review of major export items to identify factors which needed attention. The report has made a number of proposals to strengthen production incentives for items in respect of which limited production was inhibiting larger exports. These include :—

(*i*) More liberal investment facilities for export industries.
(*ii*) Elimination of restrictions on the expansion of industrial units with good export performance.
(*iii*) Preference for broad looms and hessian looms in the expansion of jute industry.
(*iv*) Comprehensive programme to increase cotton production through the introduction of improved varieties and more effective plant protection.
(*v*) More vigorous extension programme to increase per acre yields of jute by distributing superior seeds, and introducing line sowing, balanced fertilizer and plant protection measures.

11. The Working Group has also made proposals for strengthening export incentives for various items on a selective basis as well as arrangements for quality control, transport and shipping. The Working Group has made a number of proposals to strengthen organizational and institutional arrangements for export promotion. These include setting up of Commodity Boards for leather and fisheries in addition to the existing Cotton and Tea Boards. The Government has already decided to set up a Tobacco Board.

12. On the recommendations of the Working Group, a number of important policy decisions have been taken recently to ensure that the Plan target of export earnings is realised by 1969/70. An Annual Export Policy will be formulated each year which will fix detailed export targets and suggest concrete policy measures to achieve these targets. Several Commodity Boards have been set up, such as for fisheries, leather goods and foodgrain exports, in order to look into the special problems of these exports. The requirements of export crops for physical inputs, like fertilizer, plant protection etc., will be given preference in the distribution programmes, of the Government. A number of other institutional measures have been taken to strengthen export incentives, increase production of exportable commodities and improve marketing arrangements. The details of this policy will be revealed in July this year when the Annual Export Policy for 1968/69 is announced.

Import Projections and Policies

13. The maintenance of a high proportion of development goods in total imports, financed increasingly from the country's own resources, was an important element of the Plan's strategy of stimulating savings and investments. For this purpose, only 38 per cent of the total increase in imports was to be taken up by non-development imports including increments in debt servicing. But in actual fact, almost the entire cumulative increase in the first three years of the Plan has been absorbed by larger non-development imports.

14. Measures to strengthen the long term balance of payments situation of the economy through larger exports and reduced dependence on imports by achieving food self-sufficiency and according lower priority to industries using imported materials, have already been initiated, but in the interim period the growth target for 1968/69 cannot be achieved without accelerating the growth rate of large-scale industries to at least 14 per cent. This, in turn, will require an increase of at least 25 per cent in the availability of imported raw materials next year. Imports of industrial raw materials which had increased to about Rs. 1,400 million in 1964/65, dropped by 25 per cent in 1965/66 and even in 1966/67 were 5 per cent lower than the 1964/65 level. This was partly because commodity assistance in these two years was 20 per cent lower than in 1964/65 and additions to the country's own foreign exchange earnings were pre-empted by unexpected claims. In 1967/68, the overall availability of raw materials improved beyond the 1964/65 level but about one-fifth of total raw material imports consisted of fertilizers and pesticides. The supply of industrial raw materials in the economy, despite a sizeable draw down in reserves and greater reliance on short term credits, has been critically lower than that required for optimum utilization of installed capacity and has affected the growth rate in the industries sector. It is expected that in the fourth year of the Plan, with economies in food imports and further cuts in other inessential expenditure, it would be possible to divert a major proportion of additional resources, from export earnings and from foreign assistance, to development imports, particularly industrial raw materials.

15. The purpose of the import liberalization programme launched during the Second Plan period was to eliminate administrative restrictions from imports but, at the same time, to increase the flow of development imports into the economy. The unexpected shrinkage of resources in the next two years necessitated reimposition of direct controls on certain categories of imports, since the available resources were not adequate to meet the entire demand for imports at the prevailing prices. In 1967, a number of measures were taken to rationalize the import policy. The main focus of these reforms was to raise the effective price of import of raw materials and other intermediate goods to dampen their demand and permit reduction in administrative controls. This was attempted on a limited scale in July 1967 by introducing a "cash-*cum*-bonus" list under which an importer had to purchase bonus for half his entitlement to get cash licences for the remaining half. This meant an effective surcharge of 80-85 per cent on imports with a bonus premium of 160-170 per cent. This pattern was extended to 71 items in the January 1968 import policy. In addition, a price equalization surcharge is being imposed on some of the free list items financed under aid or barter to bring their effective import price to that obtainable under the cash-*cum*-bonus system. With these price adjustments, it became possible to free over 90 per cent of all rawmaterial imports from administrative restrictions after January 1968.

16. The only items which are still imported at the official rate of exchange are petroleum and petroleum products (but these are subject to heavy taxation), food and fertilizer, drugs and medicines and imports under the export performance licensing scheme.

17. The import policy for January-June, 1968, is currently being reviewed to assess the impact of price correction on the demand for various categories of imports. It is expected that the import policy for the year 1968/69 will attempt, in the light of this review, to rationalize the import policy still further.

18. The long-term objectives of the import policy, as approved by Government, are :—

(*a*) to allocate imports to their most efficient and productive uses ;

(*b*) to reduce administrative restrictions on imports to the maximum extent possible ;

(*c*) to channel imports into priority uses primarily by adjusting import prices ;
(*d*) to progressively reduce the dependence of our import policy on commodity assistance by vigorously pursuing programmes of self-sufficiency in food, fertilizer and steel production ; and
(*e*) to devise a viable import policy whose framework could stay unchanged from one year to the next, without fluctuating in response to every passing event.

19. Progress in moving towards these objectives will depend on the availability of external resources and the success of the export promotion efforts, but within available resources attempts will be continued to substitute administrative controls and direct licensing by suitable price adjustments, step up the import of rawmaterials to ensure fuller utilization of installed capacity and protect the requirements of the agriculture and export sectors. The balance of payments projections for 1968/69 with corresponding data for 1964/65 to 1967/68 are given at the end of this Chapter.

Foreign Assistance

20. During the first three years of the Third Plan, the availability as well as the utilization of external assistance was considerably lower than Plan expectations. In terms of pledges, the shortfall is expected to be 9 per cent against the Plan target of $ 1,650 million for three years but in terms of commitments the availability was 14 per cent less and in terms of disbursements 22 per cent less than the original Plan projections. The shortfall in fresh pledges from the Consortium was more pronounced but some of the shortfall was counter-balanced by larger than expected pledges from non-Consortium sources. The impact of these pledges is not, however, reflected in the level of disbursements in these years since many of these credits are for large projects with longer gestation periods.

21. For the fourth year of the Third Plan, Pakistan has asked for fresh pledges of $ 550 million but according to current indications, the actual availability from the Consortium may not exceed the level of $ 500 million reached in 1967/68. Of this amount, about $ 230-250 million may be available as non-project assistance and the rest for projects. This level of non-project assistance would not be adequate to meet the entire requirements of industrial raw materials and other intermediate goods but since the proportion of fertilizer imports next year is likely to be less than that of 1967/68, some increase in allocations for raw materials is expected.

22. To facilitate the use of project assistance in accordance with Plan priorities, a detailed study has been carried out on the utilization of project assistance in various sectors. The study reveals that in certain sectors aid already committed is sufficient to cover the total Plan provision while in some sectors the availability of aid is almost negligible. The study has identified the requirements of various sectors for the remaining two years of the Plan. These will be kept in view in the allocation of fresh project assistance expected in the remaining two years.

23. About half of the project loans expected next year will be channellized to the private sector since the availability of project assistance to private sector in the past three years has been considerably lower than their requirements.

24. A major objective of the foreign assistance strategy during the Fourth Five Year Plan will be to focus attention on the quality rather than the quantity of foreign assistance. This change in strategy is necessitated by the virtual stagnation in the level of foreign assistance and by a larger than expected increase in Pakistan's debt liability. A number of proposals have been made to the Consortium to increase the real worth of their economic assistance through better programming and improved terms.

Debt Management Policy

25. A detailed study has recently been completed for the Committee on Balance of Payments Problems and Policies to review the nature and character of the present debt burden and provide the basis for the future debt management policy to avoid an unbearable strain on the country's balance of payments. In the light of results of this study, Government has adopted the following principles to guide its future debt management policy :—

(*a*) The country's debt liability should not appreciably exceed 20 per cent of its total foreign exchange earnings in the foreseeable future.
(*b*) The debt servicing liability should not normally increase faster than the rate of increase in export earnings.
(*c*) Short-term credits (with repayment periods of less than 15 years) should be restricted and used only selectively for export industries, essential import substitution programmes or other quick pay - off projects.
(*d*) The portion of hard loans to be expected each year should be determined in the light of the expected availability of soft credits so that an appropriate blend between hard and soft loans can be maintained.

The adoption of these principles will imply a self-imposed discipline which is warranted by the need for greater prudence in the light of the changing international situation.

Balance of Payments for 1964/65 to 1968/69

(Million Rupees)

	1964/65	1965/66	1966/67	1967/68 (Estimates)	1968/69 (Projections)
A. Total Payments :	**5,247**	**5,089**	**6,503**	**6,600**	**7,280**
I. Development :	**3,160**	**2,642**	**3,370**	**3,550**	**4,150**
1. Capital goods	2,050	1,800	2,120	2,250	2,600
2. Raw-materials for capital goods	740	560	890	900	1,100
3. Freight charges and Insurance	309	205	260	300	350
4. Technical assistance ..	61	77	100	100	100
II. Non-Development :	**2,087**	**2,447**	**3,133**	**3,050**	**3,130**
1. Consumer goods	572	548	843	600	600
Food : Non-PL-480 ..	(252)	(224)	(420)	(150)	(—)
Others	(320)	(324)	(423)	(450)	(—)
2. Raw-materials for consumer goods	637	484	704	680	765
3. Freight charges and Insurance.	149	155	210	160	200
4. Invisible	383	849	860	850	850
5. Debt servicing of whichDebt Repayment	346 (139)	411 (215)	516 (315)	620 (367)	715 (420)
6. Repayment of short term food credits	..	..	..	140	—
B. Financed by :					
I. Own Earnings :	**3,015**	**3,394**	**3,580**	**3,850**	**4,150**
1. Exports	2,404	2,687	2,920	3,170	3,450
2. Invisibles	611	707	660	680	700
II. Foreign Grants and Loans : ..	**1,936**	**1,891**	**2,414**	**2,620**	**2,970**
1. Project assistance	1,055	1,262	1,230	1,500	1,750
2. Non-project assistance ..	820	552	917	950	1,120
3. Technical assistance ..	61	77	100	100	100
4. Food grants and short-term credits	—	—	167	70	—
III. Foreign Private Investment : ..	**77**	**87**	**92**	**130**	**160**
IV. Changes in gold and foreign exchange reserves including Drawings from the IMF	284 (76)	(—)312 (175)	470 —	.. —	.. —
V. Short term movements and errors and omissions	(—)65	(29)	—53	—	—
Total Financing ..	5,247	5,089	6,503	6,600	7,280

NOTE.—The above table does not include PL-480 and Indus Basin Imports.

CHAPTER IX

MAJOR POLICY ISSUES AND OBJECTIVES

The targets and objectives in the Annual Plan for 1968/69 have been established to achieve a rapid expansion of the economy. The proposed targets are well within the physical capabilities of the economy but they presuppose (i) the availability of external assistance as indicated in Chapter VIII and (ii) the formulation of suitable domestic policies to achieve these objectives.

2. The task of designing a balanced and co-ordinated set of policy instruments is a key element in the preparation and implementation of an Annual Plan. This Annual Plan represents only a beginning in this direction. As experience is gained, further progress will be possible.

3. This chapter is limited to a discussion of the overall economic policies. Further policy issues are raised in the sectoral Chapters. The trade policy is discussed elsewhere in this document.

Price Policy

4. The calendar year 1966 displayed the characteristics of excess demand. Not only did foreign exchange reserves decline, but prices rose rapidly. The wholesale price index rose from 114 in January 1966 (1959/60=100) to 136 in January 1967, or using seasonally adjusted prices from 117 to 140. The inflation was chiefly in the foodgrains component of the price index ; the price index of wheat, for example, rose from 113 in January 1966 to 221 in January 1967. The Government had to utilize some of its reserves to finance the purchase of food from abroad. These unexpected food imports forced a curtailment of raw material imports, which hampered industrial expansion.

5. Since January 1967, the upward trend in prices has been reversed. During 1966/67 as a whole, wholesale prices averaged 133.9, closing the year slightly below average at 132.1. Prices have continued to decline, and in April reached a low of 121.5. If prices continue at the April level with no further decline, the average for the year will be 126.8, a fall of 5.3 per cent. The fall in the first ten months of the year 1967/68 amounts to 7.9 per cent.

6. The fall in prices has been concentrated in two components of the wholesale price index, food and rawmaterials. Primarily responsible for the fall in prices is the prospect of good agricultural harvests and an adequate food supply situation. But coupled with the increased supply has been a cautious monetary and fiscal policy which has kept demand well under control in both the public and private sectors.

7. As to the overall price level, prospects for 1968/69 are encouraging. Adequate supplies will hold down the price of foodgrains. In fact, Government releases of wheat purchased at harvest should reduce the normal seasonal rise in prices. The liberalized import policy initiated in January will, because of the lag between orders and deliveries and deliveries and production, have its greatest impact on the availability of manufactured goods during the July-December 1968 period. Domestic rawmaterials are availble in reasonable quantities as reflected in the stable prices of these commodities. Some pressure on the prices of manufactured goods is, however, likely to emerge.

8. Thus, greater availability of commodities combined with reasonable demands should assure that overall prices will be well under control during the first six months of 1968/69. Prices during the second six month period will depend among other things upon the actual size of the wheat harvest and policies pursued during the first six months of the year. The continuation of the present liberalized import policy will ensure adequate supplies in the balance of the 1968 calendar year. Record crops of wheat and rice are expected this year. This should ensure the maintenance of a stable price level during 1968/69.

9 This general conclusion also needs to be supplemented with a more disaggregated approach to specified commodities. Relative prices of different items will change and even prices of the same item may differ from one area to another. This should not always give rise to concern. In fact, changes in relative prices are a necessary and useful ingredient of a growing economy.

10. It is important to give special attention to the relationship of domestic and international prices. Such studies might lead to adjustments in price policies which could be helpful in achieving a more rational allocation of economic resources and improve Pakistan's international competitiveness. One item which deserves particular attention is sugar. While the price level in general has declined, the price of sugar has increased by 33 per cent during the last 12 months. A newly established Price Stabilization Wing in the Ministry of Industries is already conductintg detailed studies on the price situation. Special working groups will also be established to study the price development of important individual items of consumption such as vegetables, meat, milk, oil seeds, edible oils, sugar and other articles.

Fiscal Policy

11. The objectives of fiscal policy are basically two : to obtain for the Government the resources it requires for its operations ; and, combined with monetary policy, to regulate economic activity so that demand will neither be excessive, causing domestic inflation and foreign exchange difficulties, nor insufficient resulting in lower production levels. In brief, the government attempts to regulate private demand through tax and montary-*cum*-credit policy, and by its expenditure the Government determines the public demand for goods and services.

12. Tax and expenditure policy combine to form fiscal policy ; each is important separately, but perhaps of greater importance for overall economic conditions is the combined effect of the two on the economy. It is premature to discuss tax policy in detail ; such a discussion must await the announcement of the budget for 1968/69.

13. The impact of fiscal policy during the first three years of the Third Plan can be divided into two markedly different phases ; an expansionary phase in which the government ran a large deficit, and a contractionary period beginning in October 1966, over which the Government account has been in surplus. From July 1965 until October 1966, the Government deficit amounted to Rs. 1,884 million from November 1966 through March 1967; the net effect of Government activity has been a surplus of Rs. 247 million.

14. Government policy during the earlier period was affected by various abnormal events, specifically the war with India, the postponement of foreign assistance, and the foodgrain crisis. But the result of the expansionary fiscal policy, combined with the monetary policy, the shortage of foodgrains and of imported raw materials, was some inflation in 1966. To meet the added expenses of the war with India, the Government levied the Defence Surcharge, and raised other taxes. It also attempted to curtail non-defence outlays, which of necessity included outlays on the Development Programme. Public outlays on development declined from roughly Rs. 4,000 million in 1964/65 to a little more than Rs. 3,000 million in 1965/66. In 1966/67 they rose to Rs. 4,150 million, still Rs. 850 million below the revised Plan phasing. Final information for 1967/68 is not available but development expenditures are expected to be roughly Rs. 4,825 million, well below Rs. 6,000 million in the revised Plan phasing.

Monetary and Credit Policy

15. Like fiscal policy, the monetary policy during the first three years of the Third Plan can be divided into two phases, an expansionary phase prior to January 1967 and a contractionary phase since then. Between July 1965 and December 1966, there was an increase in the money supply of Rs. 1,830 million, whereas between January 1967 and March 1968, there has been a decline of Rs. 170 million. Primarily responsible for the decline has been the fall in loans to the public sector, as a result of the cautious fiscal policy which has been pursued. But, in addition, bank loans to the private sector have expanded less than normally.

16. The restrictive monetary policy of the past one and a half year was necessary to counteract the inflationary conditions following the war with India and the successive crop failures. In the present more balanced situation, money supply must again be allowed to increase to promote the expansion of the economy. A Working Group with representatives from the Ministry of Finance, State Bank and Planning Commission has concluded that money supply should not normally increase by more than two percentage points relative to the percentage increase in G.N.P. if monetary stability is to be maintained. The monetary expansion in 1968/69 will be kept within these safe limits.

17. Credit policy deals with two closely related questions : the generation and allocation of savings. The generation of savings depends in part on the availability of attractive investments. For individuals and institutions who do not have attractive direct investments available to them, the extent of their savings will be influenced by the type and quality of financial instruments offered in the market. A wide assortment of savings instruments are presently available in Pakistan's financial markets, including prize bonds, postal savings, bank deposits, insurance, Government bonds, corporate equities and debentures.

18. One characteristic of all these financial assets compared to physical investments is that they provide a low rate of return. This makes them less attractive to potential purchasers. Aside from bank deposits, other forms of financial savings are relatively unimportant. In order to encourage savings in a socially useful form, it should be considered to raise interest rates substantially on postal savings, bank deposits, etc. Higher interest charges to borrowers would have the added advantage of encouraging a more careful allocation of scarce investment funds. In general, a study of the interest rate structure and policy is called for in order to secure maximum efficiency in monetary and credit policy.

Agricultural Policy

19. Recent developments make an agricultural revolution a possibility, but only cateful planning can turn that possibility into a reality. In the past, agriculture was a domestic industry ; today it is highly dependent upon imports of fertilizers, pumps, tractors and other equipment. Furthermore, because of its seasonal nature, the timing of these imports is crucial. A delay of a few months in the correct timing of industrial imports is costly ; the delayed arrival of fertilizers for agriculture may be disastrous. It is costly to hold imported commodities like fertilizers and pesticides for too long; on the other hand, a shortfall in the supplies of these inputs is even more costly because of the production foregone. Because of the substantial time lags involved in arranging imports, procurement should be started now to ensure adequate supplies for the 1968/69 crop year.

20. A listing of the input requirements for agriculture for 1968/69 will not be attempted here ; but it is important to point out that both Provinces will require capital inputs larger than in past years. For example, the bumper crop in West Pakistan will lead to higher agricultural incomes, greatly increasing the sector's ability to finance investments. If tractors, parts for tubewells, etc., are not available, the added incomes may be channelized into consumption rather than investment. In East Pakistan, the Thana Irrigation Programme will be pursued on a Province-wide basis in 1968/69 for the first time. To enable this programme to proceed as planned, an adequate supply of low lift pumps must be available.

21. The plant protection programme is suffering from organizational and technical difficulties and therefore, up till now has not been effective. The plant protection is more important than ever because of the rising use of improved varieties of wheat and rice which are more susceptible to insects, pests and disease than the traditional varieties. The private firms which are distributing fertilizers are anxious to use the same network to distribute insecticides and pesticides and spraying equipment. An arrangement which provided for the private sector to distribute some pesticides and insecticides to individual farmers in a manner corresponding to the fertilizer programme, and for the public sector to undertake large scale spraying and other necessary functions in 1968/69 would help to ensure that this vital programme is successfully implemented.

22. Different crops are competing for the same agricultural inputs. However, there exist varying discrepancies between the prices these crops fetch for the farmer and international prices. These discrepancies lead to misallocation of inputs between crops. Whilst this cannot be remedied fully at short notice, gradual steps should be taken to reduce the differences between international and internal prices, unless these differences are justified by a careful review of national and regional priorities. It is also urgent to start accelerated improvement programmes for jute, cotton and sugar, along the lines followed so successfully for wheat and rice.

23. The problem of storing surpluses of foodgrains in 1968/69 is more pleasant to contemplate than those connected with the persistent shortages of previous years. A detailed enquiry in East Pakistan concludes that storage will not be a problem during the remainder of the Third Plan. The adequacy of storage facilities in West Pakistan to hold the large increases in production anticipated in 1968/69 is less certain. Studies of storage facilities and requirements which are now being undertaken should be pressed to a conclusion early enough to ensure that any necessary additional investment in storage facilities can be completed in time to receive the 1968/69 crop.

24. Rice plays a dominant role in the economy of East Pakistan as the major item of production and of consumption. In order to ensure price and general economic stability, adequate supplies of foodgrains must be available. Given the expected growth in population and consumption, there will be a substantial shortfall in availabilities even if rice output rises, as expected, by 1.4 million tons in 1968/69 over the level of 1967/68. Substantial imports of foodgrains will continue to be needed if a comfortable food situation is to be assured. If domestic production is better than presently estimated, the added imports can be used to form a buffer stock. Much of the imports can come from West Pakistan's increased production of Irri-Pak. rice and wheat imports under PL-480 programme.

Industrial Policy

25. The performance of the industrial sector in the first three years of the Third Plan has not been up to expectations. Instead of growing at 15 per cent as planned, output rose by only 6 per cent in 1965/66, 11 per cent in 1966/67 and by an expected 10 per cent in the current year. This has been the result of a shortage of imported raw materials on the one hand and less than buoyant demand on the other.

26. Faced with the existing constraints, the Government has placed more emphasis on investment in industries which are less capital intensive, which have short gestation periods, which support the agricultural sector, which are based on domestic raw materials, which make a substantial contribution to exports, and which can make greater use of existing capacity. Also, a substantial portion of industrial investment planned for the public sector has now been shifted to the private sector, so that the ratio of private to public investment in industries has risen from 65 : 35 to 73 : 27.

27. For 1968/69, the major objectives for the industrial sector are the following : to raise the overall growth rate to 11 per cent and to 14 per cent for large scale manufacturing ; to improve the utilization of industrial capacity ; to increase the pace of industrial investment and to direct investment into efficient areas ; to increase output and new investment in the industries of East Pakistan ; and to ensure that both investment and production make a maximum contribution to the improvement in the balance of payments.

28. To ensure that these objectives are met, the policy of economic liberalization begun in the Second Plan will be pressed forward. Our scarce resources must be allocated efficiently by freer use of the market mechanism. At the beginning of the Third Plan, the elimination of administrative controls had to be halted because of certain extraordinary conditions. The import policy for the period January to June 1968 was, however, a major step in the direction of liberalization. To minimize delays in procurement and improve capacity utilization, automatic licensing was introduced for almost all industrial raw materials and spares. To ensure that raw materials would be available to the economy at prices which reflected the scarcity of foreign exchange, tariffs on aided commodities were selectively increased and the cash-*cum*-bonus scheme was enlarged to include 71 items, so that almost all raw materials are now imported at a price roughly 80 per cent above par value. Further steps toward liberalization will be taken in 1968/69.

29. Another policy which will improve the allocation of investment capital would be an increase in interest rates. Present interest rates do not reflect capital's real scarcity. Higher interest charges would discourage investment with a low rate of return. To ensure that public industrial enterprises are on the same footing with private enterprises, they should pay the market interest rate for their capital. Where advisable, the Government can provide a direct subsidy to agencies to undertake projects which would not otherwise be profitable.

30. In order to simplify tax collection and to encourage the effective utilization of existing capacity, the Government has introduced a tax on capacity. It now applies to sugar, vegetable oil, cement and cotton textiles, and is being extended to soda ash.

Wages and Employment Policy

31. One of the basic objectives of the Government is the creation of more jobs. This is important on social grounds, it is also a concomitant of a growing economy. More jobs are primarily dependent upon more production. A rapidly growing economy will do more for employment than anything else.

32. A good deal of research is presently going on about the relation between the growth of output and the growth of employment. The results of this research will be available for the preparation of the Fourth Plan. No detailed calculations in this field have been attempted in the context of the present Annual Plan, but it seems reasonable to expect an employment increase of about 4 per cent. The overall employment picture will not improve correspondingly, because of the increased population in the working ages. Still developments in 1968/69 should imply a modest decline in the level of unemployment.

33. In addition, the structure of investment is important for employment. Low interest rates and relatively low prices of imported investment goods tend to favour capital rather than labour intensive production techniques. This can be avoided by raising interest rates, as suggested elsewhere, and by bringing the prices of imported investment goods more in line with other import prices, which would have the added advantage of encouraging the domestic capital goods industry.

34. Employment can also be stimulated by encouraging labour intensive activities in the public sector, such as the Works Programme. In 1968/69, the Works Programme will receive a larger allocation which will produce jobs of the most needed kind, that is seasonal jobs and in the most hard pressed areas. No other solution to the problem of seasonal unemployment in agriculture is feasible. Rural development programmes, employing as they do people who would be otherwise unemployed, have little real cost to the economy and yet yield substantial benefits.

35. Another aspect of the employment picture is the question of skilled manpower. The growth of industries and of developmental activities imply that the demand for skilled manpower will grow much more rapidly than the overall employment. The shortage of skilled manpower is already a bottleneck in many areas ; in order that the shortage does not become more serious, a major educational effort will have to be made during the Fourth Plan. But this will produce the needed skills only after several years delay. In the short run, the gap must be met in other ways ; better use of existing people, reduction of emigration, repatriation of skilled Pakistanis living abroad and through technical assistance.

Statistical Deficiencies

36. In compiling this Annual Plan, serious deficiencies in statistical information were noticed. Very little information is available about the size or sectoral distribution of private capital formation, flow of funds in the private sector, investment in stocks, size and pattern of private consumption, value added in some agricultural sub-sectors particularly livestock, growth of the small-scale industries sector and import requirements for full utilization of industrial capacity. It is urgent that more adequate data should be organized in these fields so that the preparation of the Annual Plan for 1969/70 is based on firmer estimates than available for the present Plan.

Part II

SECTORAL PROGRAMMES

CHAPTER X

AGRICULTURE

Introduction

The Third Five Year Plan accorded a high priority to rapid development in agriculture. However, as a result of unfavourable weather conditions during the first two years of the Third Plan and shortage in the availability of foreign exchange, the production of foodgrains remained below the level of 1964/65 in each of the two years.

2. In December 1966, due to the difficulties arising from inadequate domestic production and uncertain availability of foodgrains under P. L. 480 programme with more stringent terms, achievement of food self-sufficiency by 1970 was declared a national goal by the Government. A programme for achieving this goal was prepared in 1966/67. In the light of this programme the following targets of production for principal crops were set for 1967/68 :

East Pakistan :

Rice ..	(Million tons)	11.30
Other foodgrains	(Million tons)	0.14
Jute ..	(Million bales)	7.50

West Pakistan

Wheat	(Million tons)	5.4
Maize	(Million tons)	0.7
Rice	(Million tons)	1.4
Cotton	.. (Million bales)	2.8

Available information about production of crops during 1967/68 indicates that rice production in East Pakistan may reach 10.8 million tons against the production of 9.4 million tons in 1966/67. Jute production is estimated to be 6.8 million bales during 1967/68 as compared with 6.4 million bales in 1966/67. The production targets of wheat, maize and rice in West Pakistan may be exceeded. Although ideal weather conditions for growing wheat and kharif crops have played an important part in these larger harvests, increases in the use of inputs such as fertilizer, seeds of high-yielding varieties, plant protection material, agricultural machinery and increased availability of water particularly from private tubewells, have also played a major role. In addition the policy of the Government to support prices of major food crops also provided adequate incentive for promoting agricultural production.

3. The upward trend in the use of fertilizer registered during the Second Plan period has been maintained during the first three years. This is evident from the fact that consumption of fertilizer increased by 45 per cent in 1966/67 over the level of 1964/65 (*i.e.* from 132,000 to 192,000 nutrient tons). Similarly consumption during 1967/68 is estimated to go up by about 36 per cent reaching a level of around 270,000 nutrient tons.

4. Under the improved seed distribution programme considerable emphasis is being laid to introduce high-yielding improved varieties of rice and wheat in both the provinces. The target of growing Mexican/ Maxi-Pak wheat over 2 million acres during 1967/68 would at least be achieved if not exceeded,while an area of about 0.24 million acres under *Irri* rice is reported to have been grown against the target of 0.32 million acres in East Pakistan during 1967/68.

5. The number of power pumps hired out by East Pakistan Agricultural Development Corporation has increased from 2,238 in 1964/65 to 3,990 in 1966/67 and to 6.300 during 1967/68. In addition some 500 pumps have been operated by EPWAPDA. The area expected to be irrigated by these pumps during 1967/68 is over 400 thousand acres against 131 thousand acres in 1964/65 and 225 thousand acres in 1965/66.

6. Against the total allocation of Rs. 4,115 million for the Agriculture sector in the Third Five Year Plan, the utilisation of funds during the first three years has been Rs. 1,470 million or about 33 per cent of the total Plan allocation for the Agriculture sector. The shortfall in public sector was mainly due to difficulties in imports of key inputs such as fertilisers and heavy earth-moving machinery because of inadequate availability of foreign exchange resources, delay in the releaser of budgeted funds to the executing agencies, but private investment in agriculture has been considerably larger than expected initially.

Agricultural Programme for 1968/69

7. As against the allocation of Rs. 712 million in the Annual Development Programme for the Agriculture sector in 1967/68, the proposed allocation for 1968/69 is Rs. 901million. This gives an acceleration of 27 per cent over the last year's allocation, which is in accordance with the government policy to give high priority to agricultural programmes. The details of allocations by executing agencies are given below:

(Million Rupees)

	1967/68	1968/69
East Pakistan	364.2	440.1
West Pakistan	290.6	372.4
Centre	56.9	88.8
Total ..	711.7	901.3

8. Among the agricultural programes major emphasis has been given to programmes which give higher returns in the near future such as fertilizer, plant protection, mechanization (development of land) and seed programmes have been given high priorities over other long gestation programmes. The financial allocations for each sub-sector are given at the end of this chapter. However, the main programmes which are proposed to be implemented during 1968/69 are described below.

9. *Crop production.*—The agricultural programmes included in the Annual Development Programme 1968/69 envisage increase in crop production particularly of foodgrains and crops earning foreign exchange. The following production targets have been set for major crops to be harvested during the crop year 1968/69 :

	1967/68	1968/69	
	Estimated Production	Food Self-sufficiency Target	Revised* Target
East Pakistan :			
Rice (million tons)	10.8	12.0	11.5
Jute (million bales)	6.8	7.2	7.5
West Pakistan :			
Wheat (million tons)	6.0	6.1	6.3
Rice (million tons)	1.4	1.7	2.1
Maize (million tons)	0.8	1.0	1.0
Other foodgrains (million tons)	1.4	1.5	1.5
Cotton (million bales)	2.7	3.2	3.1

*These production targets are subject to approval by the Provincial Agricultural Policy Committees.

The important programmes of inputs proposed to be carried out to achieve these targets are described below.

10. *Fertilizer.*—It is planned to distribute 451,000 nutrient tons during 1968/69, consisting of 331,000 tons of nitrogen, 107,000 tons of phosphoric acid and 13,000 tons of potash. This will mean an increase of 67 percent against the presently estimated distribution of 270, 000 tons during 1967/68. The quantity proposed to be consumed in East and West Pakistan will be 175,000 and 276,000 nutrient tons respectively.

11. *Plant protection.*—An area of about 13.75 million acres each acre receiving, 2 sprays is proposed to be covered during the year by curative measures through ground and aerial spraying compared to an estimated coverage of 10.2 million acres during 1967/68. Preventive measures consisting largely of seed treatment against soil-and seed-borne diseases will continue during 1968/69.

12. *Improved seeds.*—It is planned to distribute 20.35 lakh maunds of improved seed of principal crops during 1968/69 through the Government agencies mainly the ADCs. This will include distribution of 10.00 lakh maunds of Mexican wheat seed in West Pakistan and 0.75 lakh maunds of *Irri* rice in East Pakistan. The crop-wise distribution programme for East Pakistan and West Pakistan as presently envisaged is given as under :

Crop	East Pakistan	West Pakistan	Total
	*(Lakh maunds)		
Wheat	0.30	11.50	11.80
Rice	2.73	1.00	3.73
Maize	..	0.20	0.20
Gram	..	0.20	0.20
Potato	..	0.30	0.30
Oil seeds	..	0.03	0.03
Cotton	..	4.00	4.00
Jute	0.09	..	0.09
Total ..	3.12	17.23	20.35

* 1 Million - 10 Lakhs.

13. *Mechanization.*—During the year 1968/69 arrangements would be made for the procurement of 16,000 new power pumps which would enable EPADC to hire out about 12,500 power pumps under the Thana Irrigation Project. These pumps are expected to irrigate about 700,000 acres. Under the programme for sinking of tubewells about 700 tubewells are expected to be installed during 1968/69 of which some 200 tubewells would be drilled by EPADC and the balance through private parties. In addition, the tractors hired out by EPADC will cultivate about 30,000 acres.

14. With the arrival of the heavy earth-moving machinery it is expected that about 344,000 acres will be developed by West Pakistan Agriculture Department in the settled districts. Similarly, the number of tubewells bored for private farmers by Agriculture Department and A.D.C. will increase to about 3,700 during the year 1968/69. Facilities for boring of tubewells will be expanded through import of additional machinery. Capacity for boring of tubewells in the private sector would be expanded through import of lining pipes by Agriculture Department and its supply to private parties at reasonable prices.

15. A programme for manufacturing and distribution of improved ploughs will be taken up in East Pakistan during the year. In West Pakistan, work on the construction of a workshop at Hyderabad will be continued.

16. *Soil Survey.*—Under the Rapid Soil Fertility Survey Scheme trials at the farmers' fields will be continued in East and West Pakistan to determine the effectiveness and economics of various types of fertilizers with different doses and time of application under different ecological and agricultural conditions.

17. Under the Soil Survey Project of Pakistan, which aims at conducting systematic and basic soil surveys for the whole of the country, an area of 48,000 square miles (31.72 million acres) and 14,000 square miles (8.96 million acres) is proposed to be surveyed in East and West Pakistan respectively.

Colonization and development

18. Colonization operations including settlement of colonists, survey and rectangulation of land and construction of *mandi* towns, will be continued in the Ghulam Mohammad, Guddu and Taunsa Barrage areas of West Pakistan. Heavy earth-moving machinery will be operated by WPADC to reclaim about 140,000 acres of unlevelled, bushy and barren lands for crop cultivation in these project areas.

19. On the basis of a Consultants' survey and investigation of Chittagong Hill Tracts, a comprehensive programme for overall development of the area will be formulated and its implementation will be started during 1968/69.

Agricultural Economics and Statistics

20. The collection and compilation of agricultural statistics in both the Provinces will be expanded and measures holding of a Second Agricultural Census of Pakistan will be intensified.

Agricultural Marketing

21. The provisions of East Pakistan Agricultural Produce Market Regulation Act, 1964 will be made applicable to 50 markets during the next year. Construction of two licensed warehouses at *mandi* level and two at village level will be undertaken. The Directorate of Agricultural Marketing, West Pakistan established during 1967/68 will be strengthened and work pertaining to grading of agricultural produce under "Pak-Mark" will be expanded. Compulsory grading of hides and skins before export which was introduced in April, 1968 will be continued while compulsory grading of citrus fruits for export will be started.

Agricultural Extension

22. In addition to normal extension activities of the agricultural extension service, a comprehensive programme will be initiated in 18 selected districts of West Pakistan which envisages the appointment of additional extension staff, training of farmers, in-service teaching of extension staff, establishment of one demonstration block in each Union Council of the selected districts according to a phased programme, and provision of audio-visual aids. Work on the establishment of Agricultural Development Estates in Rawalpindi/Islamabad and Dacca will be intensified, while work at Karachi will be initiated. Surveys on the setting up of similar estates at Lahore, Chittagong and Khulna will be conducted.

Agricultural Research

23. Preliminary steps such as acquisition of land and design of buildings, have been completed during 1967/68 for shifting the Agricultural Research Institute from Tejgaon (Dacca) to its new site at Joydevpur ; construction of buildings will start in 1968/69. Research facilities will also be strengthened at the agriculture research sub-stations in the Province.

24. Research programme will emphasise the selection of suitable *Irri* varieties and the evolution of new high-yielding varieties of rice through hybridisation for cultivation under the climatic and soil conditions in East Pakistan. Zonal trials on sugar cane will be continued for developing suitable varieties for cultivation in the Province. Pakistan Central Jute Committee will continue research work for the evolution of new varieties and for increasing production of jute in the Province.

25. In West Pakistan, the three Agricultural Research Institutes located at Tarnab (Peshawar), Lyallpur and Tandojam (Hyderabad) and their sub-stations will be further expanded. The research programme will emphasise accelerated research on wheat, maize, rice, millets and cotton. The objective would be to evolve varieties of crops resistant to pests and diseases, early in maturity, and suitable to local taste.

Agricultural Education

26. Educational facilities will be improved and expanded at the Agricultural Colleges at Peshawar and Tandojam and at the Agricultural Universities at Lyallpur and Mymensingh. "Farm Guide Movement" initiated during 1967/68 in West Pakistan will be taken up on a wider scale in the next year.

Soil Conservation

27. In West Pakistan, about 50,000 acres of land will be developed under the Soan Valley Land Improvement Project while the targets under the Soil Conservation Operational Project would be as follows.

(*i*) Wat bandi	160,000	acres.
(*ii*) Reclamation of virgin land	25,000	acres.
(*iii*) Gully plugging	60,000	acres.
(*iv*) Improvement of ponds (Nos.) ..	850	

28. In East Pakistan, soil conservation demonstration areas will be continued while trials will be intensified on various crops in the project areas to determine their adaptability as well as their capability to check erosion.

Foodgrain Storage

29. In East Pakistan, contracts for construction of 4 silos have been awarded. The sites have already been cleared and earth-filled and work will be intensified during 1968/69. In addition, residual work on schemes relating to constructon of godowns, approach roads, control of infestation in godowns and procurement of equipment will be undertaken.

30. In West Pakistan, construction of house-type godowns with a capacity of about 45,000 will be undertaken. In the Central Government programme, the work already in hand will be completed. No new construction is envisaged.

Animal Husbandry

31. *Disease Control.*—In East Pakistan, 40 new veterinary dispensaries will be constructed and staffed at thana headquarters, while 76 existing dispensaries will be provided with equipment. In addition, 180 thana livestock assistants will be employed for the control of rinderpest and ranikhet diseases. In West Pakistan, medicines will be provided to the existing 1,500 Union Councils while stock assistants would be employed in 300 additional Union Councils.

32. *Animal Breeding.*—Three new artificial insemination centres will be started at district level bringing the number to 17 in East Pakistan. Twenty improved cows will be added to the herd at the Cattle Breeding Farm Sylhet

33. In West Pakistan, livestock farms located in the Barrage areas will be provided with additional facilities for raising stud stock of specific breeds.

34. Work on improvement and multiplication of superior sheep breeds will be continued at the farms located at Muzaffargarh and Nabisar Road. Work will be continued to establish a new sheep farm in Noakhali in East Pakistan.

35. The existing 9 poultry farms operated by the Agricultural Development Corporation, East Pakistan, will be further developed to increase production of quality birds and eggs for distribution to poultry breeders. In West Pakistan, the poultry farms located at Lahore and Peshawar will be further expanded and improved. Some 5,000 poultry birds and 50,000 eggs are likely to be distributed in the rural areas of West Pakistan during 1968/69.

36. *Education and Research.*—In East Pakistan comprehensive training will be provided, including pre-service training of 50 officials, in-service training of about 400 officials and training in dairy farms of 20 farmers. Facilities for research will be expanded at Dairy and Cattle Improvement Farm, Savar. In West Pakistan, construction of buildings at Livestock Production Research Institute, Bahadurnagar, and at Veterinary Research Institute, Lahore, will be continued to provide further facilities for research on livestock breeding and disease-control. Over 250 scholarships will be awarded for graduate studies at the Animal Husbandry College, Lahore. In addition, 300 stock assistants will receive pre-service training at various district headquarters for disease control operations.

37. *Other Programmes.*—Zoological gardens at Dacca, Lahore and Bahawalpur will be improved. The work on the Milk Supply Schemes at Karachi and Lahore will be contiuned

Forestry

38. About 30,000 tons of timber will be extracted in East Pakistan in the Chittagong Hill Tracts. About 33,000 acres will be planted, out of which about 20,000 acres will be in East Pakistan and the balance in West Pakistan. New plantation of rubber over 4,500 acres will also be undertaken in East Pakistan. Besides, about 1,700 miles of roadside planting, about 16,000 miles of canalside planting and about 400 miles of railwayside planting will be undertaken in West Pakistan. Also about 83,000 acres will be covered in West Pakistan by various water-shed management practices. About 85 miles of forest roads will be constructed mainly in West Pakistan.

39. In the Special and Northern Areas, about 24,000 acres will be afforested, 240,000 acres will be demarcated and 17 miles of new forest roads will be constructed during 1968/69.

Range Management

40. An area of about 438,000 acres of range land will be developed during the year.

Fisheries

41. In East Pakistan about 13,000 acres of derelict water and *beel* and *baor* areas will be taken up for pisciculture while commercial exploitation of Karnafuli reservoir will be continued. In West Pakistan, fisheries development efforts in ponds, dams, lakes, reservoirs and abandoned canals will be intensified and reclamation of derelict water areas for fish production will be introduced. For increased supply of quality fry/fingerlings, the number of seed farms and nurseries will be increased in the two provinces. In East Pakistan the programme for out-board motorisation will be extended to Khulna and Barisal areas ; fishing with trawlers would be intensified, and construction of buildings for the fish-net making factory will be completed.

42. In East Pakistan, wholesale fish markets at Dacca, Khulna and Cox's Bazar will be completed and work on the construction of a fish harbour at Chittagong will be continued. In West Pakistan, work on the construction of a fish harbour at Gwadar will be initiated, workshop facilities will be developed on the Mekran Coast and construction of another jetty at the Karachi fish harbour will be taken up.

43. Pre-investment survey of in-shore and off-shore waters of Bay of Bengal will be continued. An exploratory vessel for survey of off-shore waters of West Pakistan is expected to be completed and construction of two more such vessels, one for East and one for West Pakistan will be taken up. A marine biological research laboratory will be established at Cox's Bazar and facilities for a similar laboratory at Karachi will be expanded. Technological and biological research activities will be intensified and a sub-station for fresh water fisheries research will be established in East Pakistan. Training of fisheries personnel and vocational training of fishermen will be continued in East Pakistan. A training institute will be established at Channawan in West Pakistan.

Cooperatives and Agriculture Credit

44. In East Pakistan, a sum of Rs. 3.0 million is proposed to be invested in the share capital of the Provincialand Central Cooperative Banks and of the Cooperative Marketing Society. Another Rs. 2 million will be spent for the provision of godowns to the various cooperative marketing institutions. The Comilla District Integrated Rural Development Project will be extended to the remaining 13 thanas of the district.

45. In West Pakistan, provision of about Rs. 4 million is provided to train staff for re-organized cooperative societies and to construct godowns for the marketing cooperatives. Cooperative programmes will also include the expansion of mechanised farming at Multan, Sulemanki, Jassar and the ADC project areas. The programme for the establishment of sheep shearing societies will be intensified.

46. To broaden the credit operations of the Agriculture Development Bank Rs. 30 million will be provided in 1968/69 for its equity capital. The Bank will open 10 new branches during the year. The total lending operations of the Banks during the year are estimated at Rs. 243 million.

47. **Land Reforms.**—The programme for consolidation of holdings in West Pakistan will be continued and a total area of 1 million acres is expected to be consolidated during the year.

48. **Miscellaneous.**—Land will be acquired and preliminary work started for the establishment of National Natural History museums at Islamabad and Dacca and the Zoological-*cum*-Botanical garden at Islamabad.

MAJOR POLICY ISSUES

49. The overall strategy for increasing agricultural production during the Third Plan emphasised the necessity for creating an economic climate in rural areas which would call forth a maximum initiative from the farmers. The Plan envisaged that promotional subsidies would continue to play a key role, especially with regard to fertilizer, water, plant protection, improved seeds and the use of machinery, and that limited price-support and stabilization operations would also be needed. The success of this strategy, sharpened in the context of the objective of attaining food self-sufficiency during 1966/67, is already visible. Various policy elements of this strategy will, however, need continuous review and refinement particularly in the following important areas :

50. (a) *Distribution of Fertilizer.*—The existing retail prices of fertilizers would be maintained. The difference between the cost and the sale prices would be met as a subsidy. On existing costs this would mean a subsidy of about 58 per cent in East Pakistan and about 35 per cent in West Pakistan. This policy will help provide sufficient incentives to step up fertilizer consumption as planned. In West Pakistan, the role of private enterprise which was introduced in the fertilizer distribution programme during the current year (1967/68) will be substantially expanded during 1968/69 and similar efforts will be made to bring in the private sector for the distribution of fertilizer in East Pakistan.

51. (b) *Plant Protection.*--The present subsidy of 75 per cent on the sale of pesticides to the farmers which was introduced in West Pakistan in 1966/67 will be continued during the year. However, in East Pakistan since plant protection operations are free of charge to the farmers, there is no physical check on the area reported to be covered by these operations. A nominal charge, say, 10 or 15 per cent of the cost of pesticides from the farmers will not only provide the required physical check but will improve the administrative efficiency of the programmes and be a source of additional revenue to the Government. On the basis of the recommendation made by the sub-committee of the Agricultural Policy Committee, private enterprise will be gradually associated with the work of carrying out plant protection operations in West Pakistan.

52. In order to bring in more efficiency in plant protection work, in-service training to officials engaged in the work will be carried out. Necessary facilities for this in the form of a plant protection institute will be provided which will also be responsible for quality control of pesticides, their nature and time of application and coordination between research and extension work. It will also advise the private industry regarding the pesticides to be produced.

53. There is considerable scope for improving the efficiency of the aerial wing of Central Ministry of Agriculture and Works. This in turn would require adequate foreign exchange for the purchase of spare parts for the existing planes and for the purchase of new planes and providing the pilots with appropriate incentives which are lacking under the existing pay scales.

54. (c) *Improved Seeds.*—The impact of improved seed distribution programme on increasing agricultural production can be had only when supply of nucleus seeds of improved varieties is ensured at regular intervals and an effective organization is developed for quality control. At present satisfactory arrangements do not exist either in East or in West Pakistan for the purpose. A committee would be appointed to conduct a detailed study in order to streamline this programme. The recommendations of the *ad hoc* sub-committee of the Pakistan Central Cotton Committee for streamlining the seed multiplication and distribution programme for cotton seed will be implemented.

55. (*d*) *Support Prices of Foodgrains.*—To provide an incentive to farmers, the following support prices have been fixed for the year 1968/69.

	Rupees per maund
West Pakistan :	
Wheat	17.00
Maize	14.50
Basmati	38.00
Irri	19.00
Groundnut	20.00
East Pakistan :	
Paddy	17.00
Rice :	
Coarse	27.85
Medium	28.21

56. In view of the excellent 1968 wheat crop in West Pakistan wheat prices are likely to fall sharply. To prevent them from falling below the support level Government would be prepared to purchase at least 5 lakh tons of wheat. This would require not only adequate funds and storage capacity but also the necessary administrative machinery. It has already been decided to establish 193 centres for the purchase of wheat throughout West Pakistan. In addition, the Government has lifted the ban on pledging of wheat stocks with commercial banks so that the middle-man or speculator is able to purchase wheat soon after the harvest time when the prices are likely to be depressed. Commercial Banks would also be encouraged to purchase wheat on behalf of the Government.

57. (*e*) *Agricultural Research.*—With the expansion of agricultural research facilities by different Government agencies the need for proper co-ordination in research has become all the more important. The Agricultural Research Council should take a more active part in the desired co-ordination.

58. (*f*) *Agricultural Extension.*— Farmers are being trained by different agencies such as Agriculture Department, Agricultural University, and Pakistan Academies for Rural Development. More effective co-ordination of these programmes would be desirable not only to avoid wasteful expenditure and efforts, but also to make them more useful.

59. (*g*) *Agricultural Credit.*—The re-organisation of cooperative credit and agricultural marketing in East and West Pakistan have not been proceeding satisfactorily. Funds could not be made available to cooperatives for equity capital and long-term binding operations under capital liability to Government account. Unless this difficulty is resolved the programme relating to the developments of cooperatives is not likely to expand at the desired pace.

Financial Allocation for Public Sector Programme in Agriculture—1968/69

(Million Rupees)

	Name of the sub-sector	East Pak.	West Pak.	Centre	Total
1.	Agricultural Development Corporation (surveys and project areas etc.)	14.64	1.00	—	15.64
2.	Manures and Fertilizers	134.70	130.50	1.44	266.64
3.	Plant Protection	60.21	45.57	35.44	141.22
4.	Seed Multiplication and distribution ..	15.90	7.23	0.59	23.72
5.	Mechanization	61.63	31.54	—	93.17
6.	Soil Surveys	1.10	2.05	2.31	5.46
7.	Agricultural Economics and Statistics ..	0.70	0.58	1.15	2.43
8.	Agricultural Marketing	4.00	0.50	0.90	5.40
9.	Agricultural Extension	8.20	13.65	0.99	22.84
10.	Agricultural Research	5.98	5.56	0.60	12.14
11.	Agricultural Education	14.42	9.01	0.05	23.48
12.	Soil Conservation	0.38	28.69	0.63	29.70
13.	Foodgrains storage	56.30	13.50	3.06	72.86
14.	Colonization	—	28.89	—	28.89
15.	Animal Husbandry	7.81	13.83	0.63	22.27
16.	Range Management	—	2.17	—	2.17
17.	Forestry	20.36	17.89	2.98	41.23
18.	Fisheries	18.18	6.34	4.71	29.23
19.	Land Reforms	0.25	6.88	—	7.13
20.	(*a*) Cooperatives	9.48	7.05	—	16.53
	(*b*) Cooperative Farming on Comilla basis ..	2.00	—	—	2.00
21.	Contribution to share capital of Agricultural Bank	—	—	30.00	30.00
22.	B. D. and Local Government	0.80	—	—	0.80
23.	Pakistan Cotton and Jute Committees ..	—	—	2.70	2.70
24.	Miscellaneous	—	—	0.62	0.62
25.	Water and Power Sector Schemes	3.10	—	—	3.10
	Total ..	440.14	372.43	88.80	901.37

CHAPTER XI

MANUFACTURING AND MINING

Public Sector

1. Investment and production by the public sector in industry plays an important role in industrial development, even though the share of the public sector planned for the Third Plan is smaller than that of the private sector. Investment in 1967/68 showed a considerable expansion over the abnormally low levels of the previous two years. But total implementation of the targets of the Third Plan was still only 35.5 per cent. Even if all of the ADP provision for 1968/69 is utilized, only 54.5 per cent of the public sector industrial investment programme would be realized in the first four years of the Plan. (*See* Table 1 below).

TABLE I

Summary of Financial Performance—Investment in Public Sector, Industry

(Million Rupees)

	Expenditure		Third Plan Totals (Cumulative)		% Implementation	
	1967/68*	1968/69**	1967/68	1968/69***	1967/68	1968/69
East Pakistan	338	464	837	1,301	35.7	55.5
West Pakistan	155	171	310	481	31.1	48.4
Centre	34	41	100	141	48.0	67.8
Total	527	676	1,247	1,923	35.5	54.5

*Revised estimates.
**Provision in ADP for 1968/69
***Assuming full utilization of ADP provision.

Despite the lag in investment, there are large potential sources of growth in industrial production in 1968/69 for new or existing capacity in sugar, paper, cement, chemicals, cigarettes, cotton and jute textiles and the petroleum refining industry. If provided with sufficient raw materials, the capital goods producing sectors also have sufficient installed capacity to show high growth rates in 1968/69.

2. The size of the industry, fuels and minerals sectors in the annual development programme for the year 1968/69 is set at Rs. 795 million. The distribution of these funds to East and West Pakistan and the Centre is shown in the table below.

(Million Rupees)

	Manufacturing	Mining	Total
East Pakistan	464	4	468
West Pakistan	171	9	180
Centre	41	106	147
Total	676	119	795

Out of the total ADP for 1968/69 only about 5 per cent of allocations will be spent on new schemes.

3. While a relatively large acceleration of public sector investment in industry is planned for 1968/69, it seems inevitable now that a shortfall of 20—25 per cent in investment in financial terms over the Third Plan will occur.

Private Investment

4. The Third Five Year Plan (1965-70) envisages an investment of Rs. 8,300 million in the private sector of industry (Rs. 3,800 million in East Pakistan and Rs. 4,500 million in West Pakistan).

5. The distribution of the investment targets of Rs. 10,885 million is as follows :—

	(Million Rupees)
(*a*) Engineering and Electrical	3,171
(*b*) Chemicals	2,291
(*c*) Textiles	3,271
(*d*) Miscellaneous	2,152

6. With regard to the three broad categories of goods to be produced as a result of the investments under the schedule, the break up would be of approximately the following nature :—

	(Million Rupees)
(*a*) Investment goods industries	1,423
(*b*) Intermediate goods industries	5,740
(*c*) Consumer goods industries	4,545

7. The amount of sanctions issued upto 31-12-1967 against the CIIS accounted to above 38 per cent of the gross investment target as follows :—

	(Million Rupees)
(*a*) East Pakistan	1,013.29
(*b*) West Pakistan	3,099.59
(*c*) All Pakistan	4,112.88

A detailed picture of the investments sanctioned in the private sector for different groups of industries under the CIIS is shown in Table 'A'. The pace of implementation of the investment schedule up to the end of December 1967 had not been up to expectations. However, the sanctioning of several large fertilizer plants has raised the amount of sanctions in the first three years of the Plan to an estimated Rs. 5,754 million, or about 53 per cent of the investment target. The comprehensive industrial investment schedule is being revised to reflect the new industrial strategy and priorities, and to promote selective expansion of industries that are relatively less capital intensive, based on domestic raw-materials and export-oriented.

8. Forecasts of the lending anticipated by PICIC, IDBP and the probable amount of securities, to be issued by IP&S are shown below :—

PICIC Estimates of lending—1968-69

	(Million Rupees)
(*a*) East Pakistan	104
(*b*) West Pakistan	156
All Pakistan	260

Thus, PICIC's financing operations in East Pakistan are expected to be 40 per cent of the total for 1968/69 representing a higher percentage than in 1967/68 (21 per cent).

The lending programme of the IDBP for 1968/69 within the framework of the CIIS is as follows :—

IDBP Estimates of lending—1968/69

(Million Rupees)

(*a*) East Pakistan	121.5
(*b*) West Pakistan	121.5
All Pakistan	243.0

The Department of IP&S suggests an investment target for 1968/69 as follows :—

(Million Rupees)

	East Pakistan	West Pakistan	Total
(*a*) Export Industries	762.9	1085.2	1848.1
(*b*) Import Substitution Industries	641.3	331.7	973.0
Total ..	1404.2	1416.9	2821.1

9. The total amount of lending estimated by PICIC, IDBP and IP&S comes to Rs. 2821 million. Assuming that total private sector investment in 1968/69 is between Rs. 3,650 to 4,650 million and that private industrial investment will absorb 50 per cent of this amount, private industrial investment in 1968/69 is estimated at about Rs. 1,825 to 2,320 million. At the end of four years of the Third Plan investments and sanctions for private industrial sector would total Rs. 6,800 to 7,800 million or 69 to 74 per cent of the target.

DEVELOPMENT PROGRAMME 1968/69
MANUFACTURING

10. A large expansion in the growth rate of industrial production of 11-14 per cent is required in 1968/69 according to the strategy outlined in the Annual Plan. A relatively small number of key industries will account for a large part of the increase in industrial production. The physical basis for the expansion of production in 1968/69 in some of these key industries in each province is outlined below.

East Pakistan

11. In East Pakistan a relatively small number of industries account for the bulk of industrial production *e.g.* jute textiles and jute pressing, cotton textile, matches, paper and board, tobacco manufactures and sugar refining (77 per cent of East Pakistan index of production in 1959/60 of which jute textiles and jute pressing was more than half). Any large increase in industrial production must originate in these industries.

Jute Textiles :

12. Jute textiles production capacity is expected to increase sharply in 1968/69. According to estimates made recently, 17 jute mills, accounting for 3,750 looms, were at a sufficiently advanced stage of construction to come in to production in 1968/69. By the end of 1968/69, therefore, installed capacity would be about 21,000 looms. Not all of this capacity will be available for all of 1968/69. Thus an additional production of approximately 100,000 tons of jute textiles can be anticipated in 1968/69. In the A.D.P. for 1968/69 provision of Rs. 9.55 million has been made for 5 on-going mills of 250 looms each, one new mill of 500 looms (RCD Project), 3 broad loom mills of 50 looms each and a block-provision for new schemes to be taken up during the year.

Cotton Textiles

13. The development of the cotton textile industry in East Pakistan is essentially in the private sector, except for the Muslin Cotton Mill of EPIDC. of against the 1.15 million spindles sanctioned, half are assumed to come into production in 1968/69, and if half of these are installed in East Pakistan and 50 per cent of the new capacity produced in 1968/69, then the equivalent of 0.14 million spindles capacity would be added to the existing working capacity of 554 thousand spindles. 1968/69 output should then rise from an estimated 79.0 million pound in 1967/68 to 85.0 million. Thus, the increase in production would be at the rate of 7.6 per cent contributing 2.4 per cent to overall industrial growth in East Pakistan in 1968/69.

14. A Fairly large increase in capacity is estimated to have taken place in 1967/68 from 139,000 tons per years to 152,000 tons per year. Another very large increase in capacity to about 228,000 tons per year is forecast for 1968/69. Out put for 1967/68 is estimated at approximately 115,000 tons. Production in 1968/69 is expected to rise to about 165,000 tons.

Paper and Board

15. No new scheme for further expansion or for setting up a new project is likely to be taken up in 1968/69. In the private sector, expansion of the existing capacity for paper production by 2,300 tons was sanctioned for East Pakistan.

Forest Industries including Wood and Cork

16. In the A.D.P. for 1968/69 provision has been made for 3 on-going schemes and two feasibility studies for utilization of timber and other forest resources.

Chemicals and Fertilizers

17. The ADP for 1968/69 provides for the construction of the Ghorasal Urea plant (340,000 tons/year), 3 Triple Super Phosphate plants at Khulna (120,000 tons/year and Chittagong (32,000 tons/year and 120,000 tons/year) and an Ammonium Sulphate plant at Fenchuganj (12,000 tons/year). The 32,000 ton/year TSP plant at Chittagong is nearly completed and should go into production in June 1968. The Ammonium Sulphate plant attached to the Fenchuganj Fertilizer factory is also likely to be completed by 1969/70.

Petro-Chemical and Petroleum Products

81. Preliminary work for setting up a PVA/PVC plant is likely to be taken up during the year 1968/69, for which a small provision of Rs. 0.40 million has been made in the ADP. The Eastern Refinery at Chittagong will commence trial production at the end of 1967/68 and its processing capacity of 1.5 million tons/annum should be available in 1968/69.

Cement

19. Only one project, the Chittagong Clinker Grinding Factory (300,000 tons/year) is currently under construction. It is likely to be completed by the middle of 1969.

Iron and Steel

20. The Chittagong Steel Mill's capacity of 150,000 tons of steel ingots/year is currently being expanded by 100,000 tons and is likely to be completed by the end of the Third Five Year Plan. A feasibility study for a second steel plant in East Pakistan having a capacity of 500,000 tons per annum, based on imported ore has been prepared by EPIDC consultants.

Shipyard

21. Provision has been made in the A.D.P. for continuance of the work on the Chittagong Dry Dock and Heavy Steel Structure Works and a 350 ft. Dry Dock at Narayanganj. A contract for the construction of the cofferdam, quaywall and dry-dock of the former project is expected to be signed shortly. The latter project is likely to be completed in 1969.

Engineering Industries

22. Initial production in the Machine Tool Factory at Joydevpur with imported C.K. D. units is likely to commence during 1968/69. The Pakistan Diesel Plant, capable of producing 3,000 diesel engines required for low lift irrigation pumps is also likely to go into initial production by the end of 1968. The construction of the Electrical Wire and Cable Manufacturing Plant at Chittagong is proceeding and the project is likely to be completed during 1968/69.

Miscellaneous Industries

23. Provision has been made for continuance of work on the scheme for Expansion of Studios of the Film Development Corporation. A sum of Rs. 0.70 million has also been provided for undertaking feasibility studies on a Heavy Machinery Complex and other projects.

Industrial Estates

24. Provision of Rs. 6.29 million has been made to continue work on 6 large industrial estates.

Small Industries

25. The schemes falling under this group are being implemented by the E. P. S. I. C. and the Cooperative Directorate.

26. The A. D. P. for 1968/69 provides for a sum of Rs. 12.26 million for 45 schemes which are mostly of promotional nature. These include 13 small industrial estates, artisan workshops, service facility centres, design centre, sales and display centres, pilot projects and advisory services. Provision has also been made for promotion of joint venture projects and development of salt industries, Brass and Bell Metal industry and weavers' cooperatives.

West Pakistan

27. The West Pakistan Development programme for the fiscal year 1968/69 is estimated to cost about Rs. 179.6 million, most of which are earmarked for on-going schemes.

28. The main sources of growth in industrial production in 1968/69 are estimated to arise in production from new or existing capacity in the sugar, paper, cement, chemical, cigarette and cotton textiles industries. If provided with sufficient raw materials and incentives the capital goods producing sectors also have ample installed capacity to show relatively high growth rates in 1968/69.

Cotton Textiles

29. A relatively large expansion in the number of working spindles from 1.9 million in 1967/68 to about 2.34 million in 1968/69 is the basis for estimates of growth in cotton yarn production in 1968/69 to about 555 million pounds. Thus, the quantum rate of growth in the cotton textiles sector could be about 21 per cent and would contribute about 7 per cent to overall industrial growth in West Pakistan during 1968/69.

Sugar

30. A large amount of new capacity is estimated to have been installed in 1967/68 (420,000 tons) and another large increase to 479,000 tons installed capacity is foreseen in 1968/69. However, thus far in 1967/68 the level of sugar production shows little change over the previous year. Output, of course is linked to sugar content in the cane, which in turn depends to some extent on the weather. However, the weather this year has been better than average, which suggests that cane supply in the area of the mills is insufficient and that this is due to other factors than the weather. As the value of producing other crops goes up relative prices and value of sugarcane-growing to farmers may go down. There is an urgent need to improve the productivity of sugarcane-growing, so as to increase farmers' returns, without causing excessive rises in sugar cane prices, so as to ensure the full utilization of capacity and to avoid the necessity of importing sugar. Assuming that an estimated 50,000 tons of new capacity is completed in 1968/69 and sufficient cane is made available to the existing and new mills, output in 1968/69 is estimated to be about 385,000 tons. This would mean an increase of about 25 per cent in production over 1967/68, which would contribute 0.7 per cent to overall industrial growth in 1968/69.

Printing Press

31. The provision of Rs. 0.80 million made for 1968/69 will be invested on the shifting of the Jail Press to new site, on the purchase of land for the Government Press, Bahawalpur, on expansion of the existing printing capacity of the Presses, establishment of a new Printing Press at Sargodha and on other minor works.

Low Temperature Coal Carbonisation Plant, Quetta

32. The scheme, which has recently been approved, aims at processing the coal from Sor-range and Degari into high grade briquetting coke suitable for industrial consumption. The plant envisages production of 125.5 tons coke briquetts daily. This will help relieve dependence on imported coal and also result in foreign exchange saving. A provision of Rs. 2.92 million has been made for this project in ADP 1968/69.

Fertilizers

33. All of the schemes for expanding the capacity of existing fertilizer plants were to be completed in 1968/69. A sum of Rs. 1.00 million has also been provided for 1968/69 for the phosphatic fertilizer plant at Multan which should go into production in April, 1968. The expansion of the chemical and fertilizer factory at Lyallpur from 18,000 tons to 54,000 tons is almost complete and commercial production is expected to commence during 1968. The first extension of the Pak-American Fertilizer Factory, Daudkhel, for increasing its production capacity from 50,000 tons to 100,000 tons is expected to go into production in 1968/69. The scheme to the balance the Natural Gas Fertilizer Factory, Multan by creating an additional capacity of 29,700 tons of Ammonium Nitrate and 16,500 tons of Urea per annum is also expected to go into production during 1968/69.

Extension of Lyallpur Chemicals and Fertilizers Ltd., Lyallpur

34. In the private sector, construction on 2 large 340,000 tons urea plants and a TSP plant at Karachi is likely to begin in 1968/69. The 173,000 ton ESSO Urea plant is nearing completion and should produce on a commercial scale in the beginning of 1969. Thus, a substantial increase in West Pakistan fertilizer production can be foreseen in 1968/69.

Cement

35. A provision of Rs. 37.50 million for 1968/69 has been made for the modernisation and expansion of Rohri and Wah factories. The addition of 5th and 6th kilns to Zeal Pak Cement Factory at Hyderabad to raise its capacity from 480,000 tons to 1,080,000 tons per annum was in progress. Capacity at the end of 1968/69 is estimated at 3.11 million tons.

36. In 1967/68, thus far, cement output at an average 2.0 million tons is at about the same level as in 1966/67. Assuming that the relatively large investment in industry and construction scheduled for 1968/69 has a proportionate effect on the demand for cement it is expected that production would almost reach full capacity in 1968/69. Thus, there would be some surplus capacity for exports to East Pakistan.

General Refractories Ltd., Landhi, Karachi

37. The scheme relates to the purchase of Hyderabad Trust refractories and machinery and tools and dye works, balancing it up with the additional machinery and equipment and bringing it into operation to produce approximately 10,000 tons of fire bricks per annum. Quotations for the purchase of spare-parts against Dr. OTTO's interest free loan amounting to $ 35,000 have been finalised, and orders have also been placed. Foreign currency loan amounting to $ 350,000 for the purchase of necessary machinery has been allocated by the A.D.B.P. but the same has not become operative as I.D.B.P. has not as yet received intimation from the West German authorities for making the loan operative. Repair and overhauling of the existing plant and machinery has been completed to the extent of 95 per cent. The construction of an electric sub-station, switch room building and installation of electric transformers has also been completed and the work of modernisation is likely to be completed by the end of 1967/68. The completion of the project depends upon availability of foreign credit for the purchase of the machinery.

Steel Mills

38. A steel mill based on indigenous iron ore with a production capacity of 1,000,000 tons a year is proposed to be established near Kalabagh. The provision of Rs. 1.00 million made for 1968/69 is expected to be spent on preliminary work on the plant. The Russian Government recently agreed to finance and implement the plant. Another, half a million tons steel mill in the public sector is being established at Karachi.

Heavy Engineering Complex

39. A heavy mechanical complex is proposed to be established near Taxila. The foreign exchange component of the project will be met out of Chinese Credit. For implementation of the project a sum of Rs. 55.00 million has been provided for 1968/69.

The Pak-Machine Tools Factory, Karachi

40. With a view to accelerating the completion of the project an allocation of Rs. 10.00 million has been made for the fiscal year 1968/69. Orders for the purchase of machinery against French, Swiss and Italian Credits as well as a Russian Barter Deal have been placed with the suppliers and the machinery is expected to arrive in the year 1968. The plant is now expected to go into partial production in December, 1968.

Heavy Electrical Complex

41. The scheme envisages the creation of capacity for the production of heavy electrical equipment *e.g.*, high voltage insulators and power generators etc. A sum of Rs. 5.00 million has been provided for 1968/69 to begin the project.

Karachi Shipyard and Engineering Works

42. The performance of the Karachi Shipyard is expected to register an appreciable improvement during the next financial year because of better utilization of capacity particularly in ship building and steel foundries. The provision of Rs. 12.00 million for 1968/69 will help implement the scheme of Part I of Phase II for the expansion of the Shipyard. This scheme envisages the construction of a second dry dock and a second berth alongwith additional work relating to ship repairs, general steel construcation and Marine Diesel Engines, construction of ships upto 10,000 D.W.T. and production of castings. The work of extension of magazine shop, locksmith shop, engine shop has been completed while excavation of Dry Dock No. 2 has been completed upto 25 per cent. The construction of the berth is 15 per cent completed. The project is now expected to be completed in 1968/69. Another scheme for manufacture of 300 tons or spheriodical graphits iron casting under KS&EW Ltd., Karachi is yet to be taken in hand.

Small Industries

43. The 1968/69 development programme of the Small Industries Corporation is expected to cost about Rs. 11.95 million. The total number of schemes to be undertaken by the S. I. C. during 1968/69 will be 54 out of which 49 are on-going and 5 new schemes. The investment proposed to be made during 1968/69 on the on-going schemes will be of the order of Rs. 11.32 million and those of new schemes Rs. 0.63 million. The establishment of Small Industrial Estates at Sukkur, Peshawar, Multan, Sargodha, Jhelum, Rahimyarkhan, Hyderabad and Sahiwal are intended to facilitate private parties in setting up industrial undertakings.

44. The service and common facility centres set up by Small Industries Corporation for outlay and small tools, light engineering sports goods, textile and woollen industries, leather and metal industries are progressing satisfactorily. These centres are located at Gujranwala, Gujrat, Nazimabad, Karachi, Lahore, Sialkot and Multan.

Large Industrial Estates

45. A sum of Rs. 3.90 million has been provided for the fiscal year 1968/69, which will be invested on six on-going and one new schemes. The new scheme for an Industrial Estate at Sheikhupura is expected to utilize about Rs. 2.00 million during 1968/69.

CENTRE

46. The Government financed sector of the Third Plan includes an allocation of Rs. 208 million for promotional and training and industrial research projects. During the first three years, a sum of Rs. 99.94 million is expected to be spent by 30th June, 1968. A provision of Rs. 41.0 million has been made in the Annual Development Programme for 1968/69.

MINING

47. The Fuels and Minerals Development Programme in the Government-financed sector is Rs. 592.00 million for the Third. Plan Of this amount Rs. 75 million is to be spent on projects in East Pakistan, Rs. 60 million on projects in West Pakistan and Rs. 457 million on the completion of on-going schemes and new schemes in the Centre. During the first three years of the Plan period it is estimated that an expenditure of Rs. 243.7 million has been incurred. It is proposed to spend about Rs. 118.7 million during the fiscal year 1968/69. At the end of the fourth year of the Plan, investment of about Rs. 362.4 million would have been made which would be about 61 per cent of the Plan target.

East Pakistan

48. The total expenditure for three years in East Pakistan comes to Rs. 9.21 million. A sum of Rs. 3.50 million has been provided in the A.D.P. for 1968/69. Hence the estimated expenditure for four years is not likely to exceed 12.71 million or 17 per cent of the target. As regards physical progress all the three projects included in the A.D.P. for 1968/69 are in a preliminary stage. Mechanical quarrying of limestone deposits discovered at Takerghat, Sylhet is likely to be undertaken during the year. Mining machinery for the purpose have started arriving. Shaft sinking has been taken up in the Jaipurhat limestone and cement project. The scheme for Development of Jamalganj Coal is being examined by the Central Government.

West Pakistan

Coal

49. With a view to accelerating the pace of coal production and also to overcome the scarcity of fuel, a sum of Rs. 7.50 million has been provided during 1968/69, which will be spent on the development of (i) Coal deposits Central Block, Sor Range, (ii) Coal deposits, Sharigh and (iii) the Degari Coal Mines. The total procuction of these three mines is expected to be about 735,000 tons. They are, however, likely to achieve a production level of about 3,450 tons/day from 1968/69. The Sharigh colliery is to be completed shortly, as it has obtained the production target of 450 tons/day recently. It is estimated that the capacity for coal raising of the WPIDC mines at Makerwal, Sor Range, Sharigh and Degari is much larger than current production. Output of coal is increasing relatively slowly in relation to the output of other fuels. This suggests that a review is required of the relative prices and the potential demand for fuels of all types in West Pakistan.

Other Fuels and Mineral Schemes

50. There are other schemes like (i) Development of other Mineral, Copper, Bauxite and China clay (ii) specific investigations and preparation of development schemes for selected minerals and (iii) Mineral Development Lbs. at Peshawar and, Quetta, which are expected to be undertaken for implementation at an investment of Rs. 0.78 million during 1968/69.

Centre

51. The Third Plan provides an allocation of Rs. 457 million in the Government-financed sector to finance prospecting and exploitation of minerals. During the first three years, an expenditure of Rs. 188.64 million has been incurred on these activities. In order to continue the on-going schemes and to undertake new essential projects, a provision of Rs. 106.24 million has been made for this purpose in the Annual Development Programme for 1968/69. The activities on which the proposed allocation will be spent are briefly discussed in the following paragraphs :—

Geological Survey of Pakistan

East Pakistan

52. In East Pakistan, the survey and investigation work on the development of coal deposits will continue during 1968/69. The geological and geophysical investigations supplemented by extensive drilling will also be carried out in Jaipurhat, Jamalganj, Paharpur region of Bogra/Rajshahi districts. Topographical and geological mapping, for coal limestone and other minerals will also continue in Thakurghat area. Drilling will also continue to ascertain the existence, conformation and general mining condition of limestone coal and other minerals.

West Pakistan

53. The field work in different areas of West Pakistan will continue. An interim report on geology and coal resources appraisal of Lakhra coal field was issued and the final report will be undertaken for preparation. The coal field has been proved to be the largest in West Pakistan.

54. Drilling investigation will continue to ascertain the structure of coal-bearing horizon in the Makerwal coal field.

55. The geological details including sub-surface condition of the coal seams in the Sor Range Deghari coal field have been completed on 1:12000 map and the detailed report is expected to be finalised during the period under review.

56. Besides, the activities of G.S.P. will also cover survey and investigation work of mineral deposits such as glasses, iron, china clay, limestone, chromite etc., in the respective areas of East and West Pakistan.

Oil & Gas Prospecting

57. In order to provide incentives to private companies in carrying out extensive geological and geophysical surveys in their respective areas and to undertake drilling of wells in both the wings of the country, the contribution of the Government for 1968/69 will be of the order of Rs. 5.94 million.

Development of Oil & Gas Resources

58. This on-going Russian-aided scheme aims at finding oil and gas in the country. The deep drilling and the geological, seismic gravity and aeromagnetic surveys in both the wings of the country will continue to be made during the next financial year. The development programme for 1968/69 for which new equipment will be imported will be as follows :—

Scheme No. 2 Jaldi Gas Field (New)

59. Two producing wells will be drilled, one in 1968/69 and the second in 1969/70. Pipelines will be laid down from Jaldi to Chittagong.

Scheme No. 3 Development of Semutang Field (New)

60. Subject to expert opinion being positive, two wells will be drilled in 1968/69 and the second in 1969/70. In addition pipelines will be laid down from Semutang to Chandpur and Chittagong.

Scheme No. 4 Development of Sari Banir Gas Field (New)

61. Results obtained from Sari well were encouraging and the drilling of production wells, gathering, dehydration and purification plant, and laying of pipelines from Sari and Banir to Karachi will be undertaken during the year.

Scheme No. 5 Development of Tut Oil Field (New)

62. Two or more producing wells are expected to be drilled during 1968/69 at the rate of one well per year. Plant for dehydration and removal of impurities will be selected, imported and installed.

Scheme No. 6 Development of Kot Sarang Oil Field (New)

63. Two or more producing wells will be drilled at the rate of one well per year. Plant for dehydration and removal of impurities will be selected, imported and installed. Further assessment made of Sari/Banir Gas Fields in West Pakistan and Jaldi Gas Field in East Pakistan has not shown very encouraging result. The development of Sari/Banir Field and of Jaldi Field will be dropped during 1968/69.

Training and Research

64. The work on Pakistan College of Mineral Technology for survey, investigation and preliminary lay-out, roads, footpaths, culverts, storm water drain, main college buildings and laboratories, hostels, residential colony, laying of sewerage mains, are in progress and well advanced and expected to be completed by the end of 1968. Other works such as sinking of tube wells, water supply to campus, gymnasium, playing grounds, etc. are yet to be taken in hand. A tentative allocation of Rs. 3.01 million has been made for 1968/69 , which will taken care of (i) Pak-College of Mineral Technology, (ii) Petroleum Institute of Pakistan and (iii) POL Testing Laboratories and Inspection Cell.

65. Industrial Policy in 1968/69 is discussed in Chapter IX.

PUBLIC SECTOR FINANCIAL PERFORMANCE

East Pakistan

Manufacturing : (Million Rupees)

Sl. No.	Industry Group	Plan Allocation	1st two years expenditure 1965—67	Revised estimate 1967/68	Allocation for 1968/69	Total for four years	Balance for fifth year
1.	Food manufactures	167.50	120.35	26.22	7.77	154.34	13.16
2.	Manufacture of textiles	124.46	29.79	2.25	9.55	41.59	82.87
3.	Wood and cork	44.38	12.67	1.85	1.85	16.37	28.01
4.	Paper and paper products	235.36	25.32	63.00	45.12	133.44	101.92
5.	Printing and publishing	—	—	—	—	—	—
6.	Chemical industries	511.84	41.12	101.71	168.23	311.06	200.78
7.	Products of petroleum, coal and gas ..	17.50	—	—	5.00	5.00	12.50
8.	Petro-chemicals	200.00	0.03	—	0.65	0.68	199.32
9.	Non-metallic mineral products (Cement).	83.04	2.99	16.80	15.30	35.09	47.95
10.	Basic metal industries	341.50	187.59	36.79	36.58	260.96	80.54
11.	Metal products industries	—	—	—	—	—	—
12.	Machinery (except electrical)	188.09	20.60	45.57	91.50	157.67	30.42
13.	Electrical machinery etc.	78.00	5.69	16.25	27.26	49.20	28.80
14.	Transport equipments	76.87	11.61	10.70	35.65	57.96	18.91
15.	Miscellaneous industries	34.70	5.65	1.81	1.51	8.97	25.73
16.	Industrial estates	105.00	14.67	5.10	6.29	26.06	78.94
17.	Training	—	—	—	—	—	—
18.	Small industries promotional schemes..	131.11	20.18	10.44	12.26	42.88	88.23
19.	Scientific industrial research ...	—	—	—	—	—	—
	Total ..	2,339.35	498.26	338.49	464.52	1,301.27	1,038.08
	Mining	75.00	8.01	1.20	3.50	12.71	62.29

PUBLIC SECTOR FINANCIAL PERFORMANCE

West Pakistan

(Million Rupees)

Sl. No.	Industry Group	Plan allocation	1st two years expenditure (1965—67)	Revised estimates 1967/68	Allocation for 1968/69	Total for four years	Balance for fifth year
1.	Food manufacture	—	—	—	—	—	—
2.	Manufacture of textiles	—	—	—	—	—	—
3.	Wood and cork	20.35	1.57	1.00	6.00	8.57	(+) 11.78
4.	Paper and paper products	19.00	—	—	—	—	(+) 19.00
5.	Printing and publishing	1.50	0.99	1.24	0.80	3.03	(—) 1.53
6.	Chemical industries	290.00	13.30	26.15	6.00	45.45	(+)244.55
7.	Products of petroleum, coal and gas ..	21.90	—	1.05	4.32	5.37	(+) 16.53
8.	Petro-chemicals	—	—	—	—	—	—
9.	Non-metallic mineral product (cement).	66.98	60.17	7.79	44.00	111.96	(—) 44.98
10.	Basic metal industries	10.00	0.59	0.20	1.00	1.79	(+) 8.21
11.	Metal products industries	54.87	0.61	0.10	—	0.71	(+) 54.16
12.	Machinery (except electric)	183.20	39.64	73.64	67.95	181.23	(+) 1.97
13.	Electrical machinery etc.	120.00	0.21	3.00	5.00	8.21	(+)111.79
14.	Transport equipment	45.00	8.60	13.04	12.00	33.64	(+) 11.36
15.	Miscellaneous industries	32.00	2.36	5.95	7.09	15.40	(+) 16.60
16.	Industrial estates	32.50	7.12	2.78	3.90	13.80	(+) 18.70
17.	Training	—	—	—	—	—	—
18.	Small industries promotional schemes..	66.70	19.64	19.25	12.55	51.44	(+) 15.26
19.	Scientific industrial research	2.00	—	—	—	—	2.00
	Total ...	966.00	154.80	155.19	170.61	480.60	(+)485.40
	Mining ..	60.00	28.54	17.28	8.98	54.80	(+) 5.20

PUBLIC SECTOR FINANCIAL PERFORMANCE

CENTRE

MANUFACTURING

(Million Ru pees)

Sl. No.	Industry Group	Plan Allocation	1st two years expenditure 1965-67	Revised estimate 1967/68	Allocation for 1968/69	Total for four years	Balance for fifth year
1.	Printing and publishing	13.00	7.35	4.45	1.45	13.25	— 0.25
2.	Small industries promotional programme.	90.00	21.99	17.00	25.61	64.60	+25.40
3.	Scientific and industrial research ..	105.00	36.58	12.57	13.98	63.13	+41.87
	Total ...	208.00	65.92	34.02	41.04	140.98	+67.02

CENTRE

MINING

(Million Rupees)

Sl. No.	Sub-Sector	Plan Allocation	1st two years expenditure (1965-67)	Revised Estimate 1967/68	Allocation for 1968/69	Total for four years	Balance for fifth year
1.	Geological survey activities	70.50	10.83	11.23	10.00	32.06	38.44
2.	Development of oil and gas (Russian-aided)	250.00	92.95	47.98	69.40	210.33	39.67
3.	Oil and gas prospecting (private companies)	36.00	10.60	6.37	5.94	22.91	13.09
4.	Gas transmission and distribution ..	80.00	—	—	17.90	17.90	62.10
5.	Coal and peat production	—	—	—	—	—	—
6.	Training and research	20.50	4.30	4.40	3.01	11.71	8.79
7.	Selected minerals and other projects ..	—	—	—	—	—	—
	Total ..	457.00	118.68	69.98	106.25	294.91	162.09

INVESTMENT SANCTIONED IN PRIVATE SECTOR OF INDUSTRIES IN PAKISTAN DURING THE PERIOD IST JULY 1965 TO 31ST AUGUST, 1967

ALL PAKISTAN

(Million Rupees)

Sl. No.	Item	East Pakistan			West Pakistan			Total		
		Internal	External	Total	Internal	External	Total	Internal	External	Total
1	2	3	4	5	6	7	8	9	10	11
1.	Food manufacturing.	18.02	18.40	36.42	88.63	89.29	177.92	106.65	107.69	214.34
2.	Beverages ..	—	6.71	0.71	0.20	0.41	0.61	0.20	1.12	1.32
3.	Tobacco manufacture.	7.31	9.15	16.46	0.25	1.64	1.89	7.56	10.79	18.35
4.	Manufacture of textiles	273.64	248.46	523.10	356.91	474.76	831.67	631.55	723.22	1,354.77
5.	Footwear and apparel	1.29	0.77	2.06	1.20	4.12	5.32	2.49	4.89	7.38
6.	Manufacture of wood cork and allied products	0.80	0.73	1.53	2.02	1.70	3.72	2.82	2.43	5.25
7.	Manufacture of furniture and fixture ..	1.62	0.47	2.09	1.23	0.01	1.94	2.85	1.18	4.03
8.	Paper and paper products	2.96	5.83	8.79	60.10	36.58	96.68	63.06	42.41	105.47
9.	Printing and publishing	6.16	4.88	11.04	6.41	7.38	13.79	12.57	12.26	24.83
10.	Manufacture of leather and leather products	1.01	0.46	1.47	9.36	8.88	18.24	10.37	9.34	19.71

1	2	3	4	5	6	7	8	9	10	11
11.	Rubber products ..	2.05	1.10	3.23	1.35	2.25	3.60	3.40	3.43	6.83
12.	Chemicals and fertilizers	14.89	12.63	27.52	121.03	109.69	230.72	135.92	122.32	258.24
13.	Manufacture of petroleum, coal and gas.	0.20	0.20	0.40	31.33	27.62	68.95	31.53	27.82	59.35
14.	Petro-chemical ..	0.40	0.22	0.62	76.01	68.01	144.02	76.41	68.23	144 64
15	Non-matellic mineral products (except coal and gas)	26.20	15.70	41.90	16.95	17.12	34.07	43.15	32.82	75.97
16.	Basic metal industries.	3.20	6.89	10.89	24.32	20.16	44.48	27.52	27.05	54.57
17.	Metal products (except machinery and transport equipment).	3.97	4.90	7.97	36.16	26.24	62.40	40.13	30.24	70.37
18.	Machinery (except electrical machinery).	4.35	4.78	9.13	30.65	36.46	67.11	35.00	41.24	76.24
19.	Electrical machinery apparatus and appliances	11.78	7.32	19.10	28.17	29.65	57.82	39.95	36.97	76.92
20.	Transport equipment.	21.61	24.52	46.13	1.08	1.50	2.58	22.69	26.02	48.71
21.	Miscellaneous industries	7.28	7.19	14.47	26.86	29.86	56.10	33.52	37.05	70.57
22.	Service industries ..	30.03	7.27	37.30	12.53	3.90	16.43	42.56	11.17	53.73
23.	Industries based on 100% indigenous raw material and industries not elsewhere classified ..	4.98	7.65	12.63	8.32	7.98	16.30	13.30	15.63	28.93
	Total ...	444.75	389.41	834.16	940.45	1,005.91	1,946.36	1,385.20	1,395.32	2,780.52

CHAPTER XII

WATER AND POWER

In view of the rapid progress planned in the Agriculture sector, development of water resources is assigned a high priority in the Third Plan and nearly 14 per cent of the total public sector resources, amounting to Rs. 4,199 million, are earmarked for development in this sector. This allocation has been distributed in such a manner that the requirements of the Agriculture sector are met adequately.

2. The possibilities and problems relating to water resources development vary in the two provinces. East Pakistan, a flat deltaic plain overlaid by a network of some of the world's largest rivers, has too much water on the surface during the monsoon months or too little water during the dry season. In West Pakistan, which is largely arid to semi-arid land, the major problems are insufficient water in the canals resulting in under-irrigation, poor natural drainage causing problems of water-logging and salinity, and wind erosion, mostly in the lower Indus Plains and sheet erosion in the sub-Mountain region and Potwar uplands.

3. With such divergent problems and the needs of the two provinces the policy and the strategy adopted in the Third Plan for the development of water resources in the two regions are quite different from each other. The general objective in both the cases is, however, effective use of water to maximise agricultural production in the shortest possible time.

Progress in the first three years

EAST PAKISTAN

4. The basic and urgent needs of the provinces are flood control and drainage in the summer and irrgation during the winter. Despite the handicap of lack of adequate basic data required for the formulation of sound projects, the Plan included as many as 20 schemes to meet these requirements. In addition, 22 schemes aiming at improving upon the data collection activities, strengthening and re-organization of research and laboratory facilities and detailed general and specific investigations to facilitate formulation of schemes have been included in the Plan. The allocation to the Water sector in the Third Plan is Rs. 1,960 million which is 7.26 per cent of the total Plan allocation to the region. The major objectives of the Plan are to construct 3,380 miles of coastal embankments, bring 1.76 million acres of land under irrigation and improve 2.72 million acres of cultivated land by providing drainage facilities and flood control measures.

5. Against the Plan allocation of Rs. 1,960 million, an amount of Rs. 836.53 million is estimated to have been expended during the first three years of the Third Plan which is 43 per cent of the Plan allocation (*See* Table I).

TABLE I

Financial Implementation—East Pakistan

(Million Rupees)

Name of Scheme	Revised allocation for Third Plan	Expenditure from 1965 to 1968	ADP for 1968/69	Balance for 1969/70
On-going Schemes				
(*a*) Investigation and Survey	125.25	51.32	29.71	44.22
(*b*) Multipurpose Development	751.90	206.02	116.32	429.56
(*c*) Irrigation Schemes	184.81	70.27	—	114.54
(*d*) Flood Regulation	715.25	448.62	173.65	92.98
(*e*) Misc. Services and Equipment	182.79	60.30	30.30	92.19
Total ..	1,960.00	836.53	349.98	773.49

6. During 1965—68 five on-going projects, namely (1) Dacca-Narayanganj-Demra, (2) Teesta Sub-project, (3) Dredging Gumti in Comilla, (4) Old Dakatia and little Feni river in Noakhali and Comilla and (5) Comprehensive drainage for Faridpur District have been completed. As a result of completion of these schemes and progress on other schemes an area of about 0.362. million acres of new land has been brought under irrigation, and about 1.070 million acres have been improved through the Development of irrigation, flood control and drainage facilities. Compared with the Plan targets this achievement is nearly 14 and 40 per cent respectively. Out of the total embankment length of 3,380 miles anticipated to be completed during the Plan period about 1,520 miles (45 per cent) have been completed to protect about 2.020 million acres of land from tidal inundation.

Annual Development Programme for 1968/69

7. The Water sub-sector has been allocated a sum of Rs. 362.96 million which is about 18.52 per cent of the total size of the programme. The distribution of this sum to broad classes of schemes is shown in Table I given above.

8. The programme for 1968/69 places great emphasis on early completion of on-going projects. The following projects are likely to be completed during the year :—

(*i*) Ground-water and Pump Irrigation Project.

(*ii*) Comprehensive Drainage Scheme for Sadar Sub-Division, Noakhali.

(*iii*) Brahmaputra Flood Embankment Project.

In addition, efforts are being made to provide irrigation facilities to about 25,000 acres of land through the installation of small and portable lift pumps and other small surface irrigation schemes.

9. The programme includes among many other projects: the Ganges Kobadak Project (Kushtia Unit), under which an area of 12,000 acres is likely to be brought under irrigation in addition to 92,400 acres of land already under irrigation; Brahmaputra Flood Embankment (Phulchari to Serajganj) under which about 40 miles of embankment will be completed and 75 miles of irrigation channel will be dug ; Coastal Embankment Project under which an additional 360 miles of embankment will be completed to provide protection to about 194,000 acres; and Tipperah-Chittagong Multi-purpose Project (Chandpur Unit) on which the work has been suspended to allow a review of the project by a new team of Consultants to be appointed by the World Bank.

10. The table below shows expected water inputs in 1968/69, increased irrigated area expected, responses to water and additions to output.

Water Inputs and Added Outputs during 1968/69

Items	Increase in 1968/69 (acres)	Response	Added output (tons)
EPADC low lift pumps	245,000	0.6 *t/a	147,000
EPWAPDA tubewells	23,000	0.6 t/a	14,000
Major irrigation	37,700	0.6 t/a	12,600
Private pumps and irrigation	20—35,000	0.6 t/a	12,000 —21,000
Coastal Embankments	235,000	0.147 t/a	34,200

11. With the present rate of progress, especially in view of the resource availability of the country, it seems unlikely that the Plan targets would be achieved in full. It is, however, anticipated that the shortfall in the financial side would not exceed 30 per cent. Attempts are being made to offset the shortfalls on the physical side by undertaking schemes with short gestation periods.

WEST PAKISTAN

12. The broad strategy outlined in the Third Plan for the development of water resources in the region is (a) to proceed as rapidly as possible with the development of areas essentially the non-saline groundwater areas, which can be developed economically, which have short gestation periods and which do not jeopardise the development of the basin as a whole, and (b) to press as rapidly as possible the engineering attack upon more difficult areas.

13. The Third Plan provides a sum of Rs. 2,180.97 million for the Water sector. Of this amount nearly 52 per cent were allocated to Drainage, Reclamation and Tubewells ; 22.7 per cent for Irrigation ; about 3 per cent for Flood Regulation ; and the balance to be distributed almost evenly on Investigations and Surveys, Multi-purpose Devlopment and Open Canals.

Performance during 1965—68

14. During the first three years of the Plan, an amount of Rs. 976.5 million is estimated to be spent showing an accomplishment of about 45 per cent of the Plan target. The shortfall of about 15 per cent in achieving the Plan target is mainly attributable to the initial set backs in 1965/66 and 1966/67. However, efforts are being made to reduce this gap as far as possible

15. The public sector tubewell programme under WAPDA'S Salinity Control and Reclamation Projects suffered initially due to lack of co-ordination within the organisation and delay in the supply of essential items required for electrification of tubewells. However, till the end of current year it is estimated that against the revised Plan target of 9,018 tubewells to be completed and 7,855 tubewells to be brought into operation about 3,013 tubewells will have been completed and 1,470 tubewells will come into operation. With regard to the surface drainage programme over 800 miles of open drains have been excavated under the Kotri Surface Drainage Project and other miscellaneous projects in the Indus plains.

16. Another programme which was assigned a high priority in the Plan was the public sector smaller tubewells to be installed by the Department of Irrigation mainly in the barani areas. Unfortunately the progress on this programme also remained slow and only about 400 tubewells could be installed.

The physical accomplishments till the end of 1967/68 are estimated as follows :-

(*i*) New Area brought under irrigation	1.5 million acres.
(*ii*) Old area improved	5.0 million acres.
SCARP Programme :	
(*iii*) No. of tubewells completed .. --	3,013
(*iv*) No. of tubewells electrified .. --	1,470

Private Tubewells

17. The number of additional private tubewells installed in 1967/68 is est .....ed at 10,000, to make a total of 29,000 new tubewells installed in the private sector in the first three years of the Third Plan, at "a normal" pumping rate of 200 AF/Well, the tubewells will deliver 2 MAF. Although private tubewells used to pump mainly in Kharif, this pattern is likely to change with the increased profitability of wheat cultivation. So it can be assumed that 1 MAF more will be pumped both in Kharif and Rabi season. This is respectively about 2.3 per cent and 3.5 per cent of total water availability at water course head. In 1968/69, new installations of tubewells are likely to exceed 10,000.

18. The programme proposed for this sector amounts to about Rs. 449.8 million. Of this about 54 per cent has been allocated to the tubewells, drainage and reclamation programme ; about 24 per cent to the surface irrigation programme ; and the balance is distributed on schemes in other sub-sectors. Only about 10 per cent of the total ADP allocation is earmarked for the new schemes to be taken up during the year.

19. In accordance with the general strategy of the Plan and the food self-sufficiency programme, the programme for 1968/69 places great emphasis on quick maturing schemes which promise to produce results before the end of the Plan period. The objectives of the Programme in 1968/69 are as follows:—

New area to be brought under cultivation	0.20 million acres.
Area to be improved	1.80 million acres.
No. of deep tubewells to be installed (SCARP Programme)	1,600
No. of tubewells to be installed by ADC and Irrigation Department ..	400

Centre

20. The Third five Year Plan provides a sum of Rs. 57.97 million for the schemes sponsored by the various Central Government Agencies. The schemes included in this sector, excepting those sponsored by the Kashmir Affairs Division, generally aim at providing basic services. The programme by sponsoring Agencies is given as follows :—

Meteorological Department

21. This Department was allocated a sum of Rs. 25 million in the Plan against which Rs. 8.797 million is estimated to have been spent during the first three years of the Plan.

22. The ADP for 1968/69 provides Rs. 7.18 million leaving a balance of Rs. 9.022 million for 1969/70.

The programme provides for improving and streamlining the collection and analysis of climatological data. It envisages installation of Storm Warning Radar Stations at Khepupara and Cox's Bazar in East Pakistan and Wind-Finding Radar Stations at Sargodha, Nokkundi and Jacobabad. The existing upper wind observatories at Sahiwal, Kalat and Jessore will be improved and new equipment will be installed ; 4 of the observatories will be raised to sub-regional research centres and 13 new first class observatories will be opened at various stations in Fast and West Pakistan.

Survey of Pakistan

23. Against the Plan allocation of Rs. 8 million the Department will be able to utilize Rs. 1.775 million till the end of June, 1968, mainly due to delay in the formulation and sanction of the scheme proposed to be taken during that period. A sum of Rs. 3 million is provided in the ADP for 1968/69. Of the two major schemes sponsored by the Department, the Development of Survey Resources for National Projects is making good progress. It is expected that by the end of 1968/69, instrument and equipment will be procured for the Length Standardisation Laboratory, Forest Survey Party and Letter Press Office.

Kashmir Division

24 This Division was allocated Rs. 20 million in the Plan, distributed as follows :—

Azad Kashmir	Rs. 7 million.
Gilgit Agency	Rs. 8 million.
Baltistan	Rs. 5 million.

Of this amount Rs. 6.365 million will have been spent by the end of June, 1968.

25. The ADP for 1968/69 provides Rs. 3.7 million—Rs. 2 million for Kashmir and Rs. 1.7 million for the northern areas. In Azad Kashmir facilities will be provided to distribute power generated at Kotri Hydel Scheme and 18 villages will be electrified ; 7 tubewells, in addition to 7 already installed will be completed in the Mirpur district and detailed investigations will be taken up for the installation of additional tubewells in the areas. In Gilgit Agency distribution lines will be completed from the Gilgit Hydel Station and preliminary work will be taken up for additional generating facilities at Gilgit Power Station, Juglote Hydel Station and Cherat Hydel Station. In addition 6 irrigation channels will be completed to irrigate about 400 acres. In the Baltistan agency most of the work on the irrigation channels commanding about 1,000 acres will be completed and a 400 KW Hydel station at Skardu will be completed. Work on distribution lines will continue. Preliminary work and investigation on Shigar Hydel Power Station will be undertaken.

26. The A.D.P. for 1968/69 provides Rs. 0.90 million—Rs. 0.60 million for irrigation, drainage and flood control research council and Rs. 0.30 million for generating and pumping sets for South Waziristan picquets.

POWER DEVELOPMENT

East Pakistan

27. Broadly speaking the power programme of the Third Plan comprises schemes for generation, transmission, distribution and miscellaneous works.

28. The important projects in the generation side are the 120 MW Ashuganj Thermal Power Station, the 110 MW Ghorasal Thermal Power Station, the 60 MW thermal plants at Chittagong and the Khulna, 50 MW thermal plant at Siddhirganj and Karnafuli 3rd unit. However, none of these will be commissioned until 1969/70. In order to meet the anticipated power shortage in East Pakistan during the period 1967-69 till some of the major power stations are completed, provision has been made for 100 MW gas turbine station at Shahjibazar under the Crash Programme. Provision has also been made for the installation of 4 gas turbines units with a total capacity of 37 MW of which two are already installed at the Steel Mill site at Chittagong and the remaining two are being installed at Goalpara under the scheme 'Power Generation to meet Emergency'. The major transmission projects included in the programme are second circuit additions to Siddhirganj-Ashuganj-Sylhet 132 KV Line and to Goalpara-Bheramara-Ishurdi 132 KV Line, East West Interconnector, Sirajganj-Saidpur 132 KV Transmission Line, Ashuganj-Mymensingh Jamalpur 132 KV Transmission Line and Goalpara-Mongla-Barisal 132 KV Line. Provision has been made for the programme of Secondary Transmission and Distribution, Isolated Power Generation, and Acquisition and/or Improvement and Supply of Power to Small Undertakings with a view to making electricity available to industrial, commercial and domestic consumers in districts, sub-divisions and small towns and rural areas.

29. Of the total allocation of Rs. 1,550 million for the power programme of East Pakistan during the Third Plan period, expenditure during the first three years is estimated at Rs. 767.50 million This amounts to almost 50 per cent of the allocation. Progress made in the realisation of the physical targets in the first three years is as follows :—

30. The installed generating capacity of the EPWAPDA system is presently estimated to have increased from 202 MW at the beginning of the current Plan to 223.5 MW, and a further increase of 84.7 MW is expected to be made by the end of the current year. The route mileage of primary transmission lines is expected to increase from 199 miles at the beginning of the current plan to 646 miles by the end of 1967/68, and of the secondary transmission and distribution lines from 2101 miles to 4140 miles.

31. A programme of Rs. 508.06 million has been made for 1968/69 but it appears that this will have to be revised to Rs. 588.60 million in view of the fact that so far the implementation of the power programme has lagged behind, and the EPWAPDA is determined to accelerate the programme in 1968/69 as the necessary foreign aid is also available for this programme.

32. Progress is also expected to be made in the construction of the primary transmission and secondary transmission and distribution facilities, and it is expected that additional 104 miles of primary transmission and 800 miles of secondary transmission and distribution lines will be completed during 1968/69. It is estimated that 25,000 additional consumers will get electricity connection and additional 141 small towns and villages will be electrified.

West Pakistan

33. During the first three years of the Plan, the total installed capacity in the province has increased to 1,632 MW as against the plan target of 2,200 MW. Notable additions to generation capacity in 1967/68 were the Mangla Hydro Power Station (300 MW) and Lyallpur Thermal Station (130 MW) in 1967/68. The total energy generation which was 3,661 m. kwh (3,231 million units from public utilities plus estimated 430 million units from captive industrial capacity) in 1964/65 increased to 4,380 m.kwh in 1966/67. In the first three years of the Plan, some 10,000 miles of transmission and distribution lines of 11 KV and above, were added bringing the total mileage of transmission and distribution lines to 23,500 circuit miles as against the Plan target of 25,000 circuit miles. The total number of consumers in the province including Karachi which stood at 837,000 in July, 1965 is estimated to exceed 1,200,000 in 1967/68. Additions to the number of consumers include 15,489 private tubewells and around 21,000 industrial concerns.

34. The actual expenditure in the public sector of WAPDA's power programme is Rs. 312.3 million. Thus, the achievement in financial terms during the first three years of the Plan will be less than 50 per cent of the plan allocation of Rs. 1825.75 million (after excluding the allocation for public tubewells electrification). In the private sector, Rs. 170.4 million were provided in the Plan for the Karachi Electric Supply Corporation to cover the cost of the first extension to the 'C' Station with associated transmission and distribution expansion works. In March, 1967, a loan was successfully negotiated with the International Bank for Reconstruction and Development for this project which is now scheduled to be commissioned by June, 1969.

35. The level of investment during 1968/69 will be of the order of Rs. 421 million (Rs. 340 million in the public sector for WAPDA's power programme and Rs. 91 million in the private sector for Karachi Electric Supply Corporation). The allocation in the public sector will cover the debits likely to be received in 1968/69 against completed projects, purchase of gas turbines, placement of orders for 2-100 MW steam turbine units for the Guddu thermal power station, payment for the fourth Mangla unit, construction of transmission lines from Mangla to Kala Shah Kaku and Kot Lakhpat and augmentation and rehabilitation of the distribution system. Investment in the private sector will be primarily in the expansion of the Karachi 'C' Power Station, (Rs. 39.31 million) and associated transmission and distribution works (Rs. 51.69 million).

36. The total installed capacity in the province by virtue of the investment likely to be made in 1968/69 is expected to increase from 1,632 MW in 1967/68 to 1,954 MW in 1968/69 as against the Plan target of 2,200 MW. The fourth unit at Mangla (100 MW) will be commissioned along with the Karachi 'C' station extension (125 MW) 4 gas turbines (60 MW) at Shahdara and two at Kotri (30 MW). 218 miles of double circuit 220 KV line from Mangla to Kala Shah Kaku and Kot Lakhpat is expected to be energised by June, 1969 and work commenced on the double-circuit 220 KV line from Kala Shah Kaku to Lyallpur. It is anticipated that a total number of 125,000 new consumers will be added to the WAPDA system and around 20,000 to the Karachi Electric Supply system bringing the total number of consumers in the province to 1,650,000. In the rural areas 8,000 private agricultural tubewells will be electrified along with 200 villages.

Centre

37. The A.D.P. for 1968/69 provides for Rs. 130.0 million for power projects, the most important of which are the Karachi Nuclear Power Project (Rs. 111.45 million), the Pakistan Institute of Nuclear Science and Technology (PINSTECH), Islamabad (Rs. 12.00 million), Rooppur Nuclear Project (Rs.0.80 million) and other small schemes of the Pakistan Atomic Energy Commission relating to research, surveys and feasibility studies.

Policy Issues

38. Repeated equipment failures at the major thermal power stations in the province call for immediate and careful appraisal of both the construction as well as operation procedures which are followed by WAPDA. No attempt has so far been made to assess the loss on account of these failure to the national economy in terms of reduction in industrial production and loss of government revenue etc. It is imperative that steps are taken now to avoid recurrence of such failures in the future. It is suggested that a high powered committee should be set up charged with the responsibility to get the specifications of the equipment and plants which is ordered, watch the progress of construction and in general keep a close watch on operation. In the field of transmission and distribution, the progress so far has been satisfactory but still much remains to be done to improve the quality of service. Construction of transmission facilities associated with the Mangla hydro-station and the proposed Guddu thermal power station will become critically important for economic operation of West Pakistan power systems in the last year of the current Plan and early Fourth Plan period. Whereas the Mangla transmission system is progressing well the progress of the southern zone transmission particularly the extra high voltage link (500 KV) from the proposed Guddu Power Station to Karachi is not satisfactory. Efforts should be made to complete this EHV link at the same time when the Guddu Power Station is commissioned.

CHAPTER XIII

TRANSPORT AND COMMUNICATIONS

1. An effective transport and communications system is a necessary condition for rapid economic growth. It serves to link all the sectors of the economy and has a profound influence on almost every sphere of national life.

2. An allocation of Rs.10,611 million was made for investments in transport and communications services in the public and private sectors during the Third Plan. Of the allocation of Rs. 6,711 million in the public sector, it is estimated that an expenditure of Rs. 2,700 million will have been incurred during the first three years of the Plan. This is 40 per cent of the Plan allocation and indicates that the programme so far is generally behind schedule. Progress has been particularly slow in case of roads and railways in East Pakistan (26 per cent and 34 per cent respectively), roads in West Pakistan (36 per cent), and the permanent port on the Pussur River (17 per cent). Relatively better implementation, albeit still considerably short of the Plan targets, was realised in the case of P. W. Railway (51 per cent), Civil Aviation (54 per cent), and East Pakistan Road Transport Corporation (59 per cent). In physical terms, the achievement was even slower than in financial terms. It is difficult to estimate the effect of cost increases during the period but it would appear that the physical achievement was about 34 per cent of the target.

3. The slow rate of Plan implementation in 1965-67 was mainly due to uncertainties created by the war with India, delays in foreign aid, and organisational and procedural difficulties. While this delay has led to occasional transport bottlenecks, the overall consequences have been mitigated somewhat because the demand for transport arising from production in other sectors was also affected by the above events and thus lower than anticipated.

ANNUAL DEVELOPMENT PROGRAMME—1968/69

4. The ADP for 1968/69 (in the public sector) is expected to be Rs. 1,301 million, compared to Rs. 1,221 million for 1967/68. If this amount is fully spent, about 60 per cent of the Plan targets will have been achieved by the end of the fourth year.

5. The small increase in the allocations will be primarily for PWR and roads in West Pakistan. In relative terms, there has been a greater emphasis in West Pakistan on increasing the allocation for roads than for railways. In East Pakistan, the allocation provided in the ADP has generally not been a limitation on expenditures, since the agencies have not been able, for a variety of reasons, to spend the entire allocation.

East Pakistan Programme

6. The total allocation in 1968/69 for East Pakistan is Rs. 358.8 million, which is almost the same as in 1967/68. As shown in the table below, PER and roads each account for about two fifths of the allocation, with most of the remainder going to IWTA. There are no major shifts in allocation between transport modes in East Pakistan.

ADP Allocation—1967/68 *and* 1968/69

(Million Rupees)

	1967/68	1968/69
Pakistan Eastern Railway	150.2	153.0
Roads	149.1	149.6
I.W.T.A.	42.9	38.4
Others (EPRTC and EPSC)	14.8	17.8
Total ..	357.0	358.8

Pakistan Eastern Railway

7. For 1968/69 a provision of Rs. 153.0 million has been made for the Pakistan Eastern Railway. The major items include construction, including doubling of tracks and other line capacity works, which account for about 60 per cent of the allocation, and rolling stock, which accounts for about 25 per cent.

8. In physical terms, the major items include continuing construction to double the track on certain sections between Dacca and Chittagong, the Bholagonj Ropeway and the Faridpur-Barisal line, the conversion to broad gauge of the Rupsa-Bagerhat section, and completion of the relocation of the Dacca railway station. After review of the technical studies of the Rupsa bridge, it is anticipated that this project will be initiated in 1968/69.

9. As for rolling stock, it is expected that 54 new passenger cars and other coaching vehicles and 214 freight wagons will be put into service in 1968/69 ; an additional 26 other coaching vehicles and 200 wagons will be received in 1968/69 and assembled during the following year. New commitments are anticipated for 44 diesel locomotives, 141 passenger cars and 2,500 wagons, but these will not involve significant expenditure in 1968/69.

Roads

10. The Annual Plan allocates Rs. 149.6 million for roads. Of this amount, Rs. 70.0 million is for two foreign-aided roads from Dacca to Chittagong and from Dacca to Aricha. Only Rs. 3.8 million is allocated for new projects. The remainder is almost exclusively for on-going projects, of which the majority was in train in the Second Plan.

11. This programme will result in the improvement of 46 miles of existing roads and in the construction of 145 miles of new paved roads in 1968/69, thus increasing the network of high type roads to 2,400 miles. Construction of the two foreign-aided projects will start early in 1969. The acquisition of land and earth work for 11 new projects will also be initiated. The floating bridge over the river Karnaphuli will be installed. A pre-investment survey of important river crossing inprovements is also envisaged.

I. W. T. A.

12. Rs. 38.4 million is allocated for I. W. T. A. in 1968/69. Much of this is accounted for by payments for work already completed, as well as by a large number of small on-going items of which the most important include a Hovermarine and scientific Hydrographic equipment, additional landing stages, a workshop at Barisal, a training centre for deck hands, a pilot project for mechanisation of launches, and further consulting services

13. Allocation of Rs. 9.3 million is made for three major new schemes. These include Rs. 7.0 million for initial work on the Mongla-Ghasiakhali Canal (which is estimated to cost Rs. 23.9 million), Rs. 1.0 million for the acquisition of dredgers (estimated to cost Rs. 8.9 million) and Rs. 1.3 million for the mechanization of 600 small boats. A detailed feasibility of Shahzadpur port will be carried out.

E. P. R. T. C

14. A provision of Rs. 14.5 million is made for E. P. R. T. C. Of this amount, Rs. 10.0 million will be to provide improved services in the Dacca and Chittagong areas and Rs. 3.5 million for the introduction of new services in other areas. In physical terms, 70 new buses and 20 trucks will be acquired, 84 old buses will be reconditioned, and new bus depots will be constructed and old ones improved.

E. P. S. C.

15. A provision of Rs. 3.3 million is made for E. P. S. C. Of this Rs. 1.7 million is for final payment for ships previously acquired and Rs. 1.5 million is the Government contribution to equity capital. An order will be placed in 1968/69 for one oil tanker for future delivery.

West Pakistan Programme

16. The total allocation in 1968/69 for West Pakistan in the public sector is Rs. 485.4 million, which is about Rs. 40.7 million higher than the allocation for 1967/68. As shown in the table below, the allocation to PWR has been increased by 7 per cent and that for roads, by 13 per cent. In the private sector, the provision of Rs. 42.7 million for West Pakistan Road Transport Corporation involves a 25 per cent increase.

ADP Allocations—1967/68 *and* 1968/69.

(Million Rupees)

	1967/68	1968/69
Pakistan Western Railway	290.0	310.0
Roads	154.7	175.4
Total Public Sector ..	444.7	485.4
West Pakistan Road Transport Corporation	34.0	42.7
Total Public and Private Sector ..	478.7	528.1

Pakistan Western Railway

17. A provision of Rs. 310.0 million has been made for Pakistan Western Railway in 1968/69. The major items include construction works (including introduction of electric traction between Lahore and Khanewal) and other line capacity works, which account for about 38 per cent of the total allocations; rolling stock accounts for 26 per cent and track renewal for 15 per cent.

18. In physical terms, the major construction items include further progress on the Kashmore-D. G. Khan rail link, on the Karachi Circular railway, on the Islamabad spur and on the electrification of the Lahore-Khanewal line. The procurement of 1,600 wagon material and 72 passenger coaches is also provided for. About 153 miles of rail and 329 miles of sleepers will be renewed.

Roads

19. The 1968/69 Annual Plan allocates Rs. 175.4 million for roads, an increase of 13 per cent over 1967/68. Of this amount, Rs. 74.7 million is for foreign-aided roads, of which the Karachi-Hyderabad Highway involves the largest expenditure. About 74 per cent of the allocation is for on-going schemes.

20. The major road projects include the Karachi-Hyderabad Highway, which will be completed in 1969, and initial work on the Lahore-Multan, Lahore-Lyallpur-Sheikhupura-Sargodha-Khushab highways. The bridge over the Indus on the Thatta-Sujawal road will be completed. Further progress is anticipated on the RCD Highway. The programme will lead to the construction of about 120 miles of new roads and 235 miles of improved roads, besides the construction and improvement of 42 miles of roads in barrage areas. Planning is also proceeding on other major roads with a view towards completing during the Fourth Plan a modern highway from Karachi to Peshawar via Lahore.

West Pakistan Road Transport Corporation

21. The Annual Plan provides Rs. 42.7 million for W. P. R. T. C., an increase of about 25 per cent over the 1967/68 allocation. The single largest item is the procurement of 686 new buses during the year.

Central Programme

22. The total allocation in 1968/69 for the Central programme is Rs. 457.2 million, which is about 9.0 per cent higher than the allocation in 1967/68. As shown below, telegraph and telephone services account for more than 40 per cent and civil aviation for 22 per cent of the programme

ADP Allocation—1967/68 & 1968/69 (Million Rupees)

	1967/68	1968/69
1. Ports and Shipping	33.9	50.0
2. Civil Aviation	100.0	99.0
3. Roads	63.0	60.9
4. Telegraphs and Telephones	170.0	185.0
5. Broadcasting, Post Offices and others	52.8	62.3
Total ..	419.7	457.2

Ports and Shipping

A provision of Rs. 50.0 million has been made for ports and shipping in the public sector. The port programme comprises the on-going schemes relating to (i) the Chalna Anchorage, including the acquisition of craft and equipment ; (ii) the permanent port on Pussur river in East Pakistan including land acquisition and reclamation and technical and model studies ; and (iii) model studies for the Second Port in West Pakistan. The shipping programme includes the expansion of the Marine Academy at Chittagong and provision of navigational aids on Pakistan coasts.

24. Rs. 84.5 million is provided for the Karachi Port. About half of this total is accounted for by the following three major on-going schemes:

	(Rupees Million)
(i) Widening & Deepening of Navigable Channel	6.75
(ii) Reconstruction of Berths 1 to 4, East Wharf	18.05
(iii) Construction of 3 Additional Berths at West Wharf	18.68
	43.48

Some of the other important schemes are procurement of Craft and Equipment (Rs. 9.25 million); modernization of craft and equipment (Rs. 6.49 million) and Civil Engineering works (Rs. 6.88 million).

Rs. 56.19 million has been made for the Chittagong Port in 1968/69. The major schemes include rehabilitation and extension of jetties 1 to 6 (Rs. 15.0 million); workshop and slipway (Rs. 8.0 million); river training works (Rs. 7.0 million); construction of two new jetties and replacement of four pontoon jetties (Rs. 4.0 million); and acquisition of a 125-ton floating crane.

25. In 1968/69, the National Shipping Corporation proposes to acquire 11 ships—4 second-hand dry cargo ships, 3 new bulk carriers; and 2 new and 2 second-hand tankers. The cost of these vessels is estimated at Rs. 224.0 million. The programme is tentative and its implementation will depend on foreign exchange availabilities.

Civil Aviation

26. A provision of Rs. 99 million is made for the development of airports and other ancillary facilities. Except for a small provision (about 10 per cent) for new schemes, the entire expenditure relates to on-going schemes. The new airport at Kurmitola accounts for about 34 per cent of the outlay and Rawalpindi airport about 16 per cent.

27. The Pakistan International Airlines programme for 1968/69 amounts to about Rs. 55 million. One additional Boeing 707 (7th) and a Training Simulator for Boeings 707 are expected to be delivered.

Roads

28. A provision of Rs. 15.9 million is made for the construction of roads in Azad Kashmir, the Northern Areas and the States and Frontier Regions of West Pakistan. Rs. 45.0 million is allotted for other roads.

Transport Survey

29. Rs. 4.0 million is provided for undertaking detailed transport surveys of East and West Pakistan (total cost Rs. 9.6 million). These surveys will assess the existing transport facilities, identify major transport problems and bottlenecks, review the existing transport policies and prepare a detailed transport programme for the Fourth Plan and a more general Perspective Plan until 1985.

Tourism

30. An allocation of Rs. 5.0 million is made for continuing the on-going programme of tourist publicity, promotional activities, and minor development schemes. Investments are to be concentrated on a few carefully selected tourist projects in East and West Pakistan.

Post Offices

31. A provision of Rs. 15.5 million is proposed largely for the reconstruction and construction of postal buildings. Except for a small allocation (about 12 per cent for new schemes) the expenditure relates to on-going schemes, such as reconstruction of Karachi GPO (Rs. 2.5 million), extension of Dacca GPO (Rs. 0.1 million), Lahore MSO (Rs. 0.8 million) and Karachi City P.O (Rs. 1.0 million), Islamabad Headquarters building (Rs. 3.0 million), and equipment (Rs. 0.6 million).

Telegraphs and Telephones

32. A provision of Rs. 185.0 million has been made for the expansion and improvement of the telecommunications network and establishment of approximately 25,000 additional telephones during 1968/69. Except for a small allocation (5 per cent for new schemes) the entire expenditure relates to on-going schemes. The new schemes, *inter-alia*, include installation and extension of Khulna Cable Factory to produce 140,000 cable conductor miles annually, as also the establishment of the two Earth Stations for Satellite Communication, initiation of a feasibility study for Pakistan-Soviet Union Micro-Wave telecommunications link and a carrier components factory at Islamabad.

Broadcasting

33. A provision of Rs. 26 million is proposed for additional transmitters and other ancillary facilities to augment the broadcasting facilities, 2/250KW short-wave transmitters at Islamabad, 1/100KW medium-wave transmitter at Multan, 1/10 KW medium-wave transmitter at Khulna and 8 other small transmitters.

Television

34. A provision of Rs. 1.8 million is suggested in the public sector for the Television Training Institute and for a film production unit.

35. The Television Corporation has a programme of Rs. 37.5 million for the setting up of main Television stations at Karachi, Lahore, Dacca and Islamabad and other works, the implementation of which will depend on availability of resources. A provision of Rs. 10 million has been made in the public sector for 1968/69.

Major Policy Issues

36. In the Transport and Communications sector, the following major policy issues deserve special attention in 1968/69.

(1) Increasing self-sufficiency in agricultural production and expanded domestic output of fertilizer will require greater emphasis on short-haul road transport. Because the distribution of local production will frequently involve shorter distances of transport than those of imports and will involve numerous production and distribution points, road transport is likely to play a greater role than it has in the past. Accordingiy, more funds have been provided in the development programe for road improvements. In addition, it is necessary to provide adequately for road maintenance in the revenue budgets and, in the private sector, for foreign exchange for commercial vehicles. Better utilization of vehicles is also important and could be achieved by such measures as the provision of an adequate supply of spare parts and a less restrictive permit system for buses.

(2) Pakistan's heavy dependence on one port in West Pakistan and a port and an anchorage in East Pakistan for the transport of all exports and imports requires that prompt steps be taken to assure adequate port capacity. A master plan for Karachi port and a feasibility study for a second port have been prepared and are under review. Some improvements are underway at Chittagong Port. Work has also begun on a permanent port at Mongla, though actual construction has not yet started. Because the lead time in port construction is long, decisions will be required during the coming year to ensure adequate capacity during the Fourth Plan Period.

Railway traffic growth during 1965-68 has been less than anticipated. It is difficult to predict the railway traffic for the rest of the Plan period, but these matters deserve careful attention. On the other hand, investments for modernization continue to have a high priority.

4. One of the important bottlenecks in the implementation of the Plan in the Transport sector arises from delays in the execution of projects. While some of these delays have been due to shortages in the availability of foreign exchange, others are due to such factors as cumbersome procurement procedures,

difficulties in land acquisition, the tendency to start numerous projects instead of concentrating on the prompt completion of a smaller number, etc. These difficulties are aggravated in East Pakistan by the shorter construction period, so that even short delays in the availability of supplies can lead to long delays in construction. These matters deserve a systematic review.

5. The Government's general concern for the more efficient operation of autonomous agencies is of particular relevance in the Transport and Communications sector, which has a number of such agencies. There are two problems which deserve special attention. First, many of these agencies are operating at a loss or at small or declining profits. Their sound operation, as well as the burden which these agencies now put on the tax system, require that their costs be reduced and their operating revenues be increased so that they can earn a substantial return on their investments and finance a major part of new investments from their own funds. In this connection, the social obligations which are imposed on some of these agencies without adequate compensation also deserve an early review. Second, efficient management of these agencies requires that they be given adequate authority over day-to-day operations and that the Government's authority be limited to a few well-defined areas such as approval of the projects and investment programme, the need for Government subsidies and appointment of the top management. As indicated above, it is the Government's intention to undertake a detailed transport survey which will review these and other major transport issues.

Financial Allocations

The Third Plan and 1968/69 allocations are summarized in the table below :

TRANSPORT AND CMMUNICATIONS DEVELOPMENT PROGAMME, 1968/69

(Million Rupees)

Sl.No.	Name of Sub-Sector	East Pakistan		West Pakistan		Centre		Total	
		Plan Allocation (Revised)	Allocation for 1968/69	Plan Allocation (Revised)	Allocation for 1968/69	Plan Allocation (Revised)	Allocation for 1968/69	Plan Allocation (Revised)	Allocation for 1968/69
1	2	3	4	5	6	7	8	9	10
1.	Railways	915.00	153.00	1500.00	310.00	..	..	2415.00	463.00
2.	Roads	1020.40	149.60	850.00	175.40	83.75	60.92	1954.15	384.12
3.	Road Transport	40.00	14.50	..	..	..	..	40.00	14.50
4.	Inland Water Transport (including East Pak. Shipping Corporation).	274.70	41.70	..	..	..	..	274.70	41.70
5.	Ports:								
	Chalna	..	..	..	..	187.50	43.81	187.50	43.81
	Mekran	..	..	..	..	10.00	2.51	10.00	2.51
6.	Shipping :								
	Mercantile Marine Academy, training centre and aids to Navigation.	.	..	..	..	10.50	3.68	10.50	3.68
	N.S. Corporation ..	..	..	..	..	15.00	..	15.00	..
7.	Tourism	..	..	..	..	30.00	5.00	30.00	5.00
8.	Civil Aviation	..	..	..	..	440.00	99.00	440.00	99.00
9.	Post Offices	..	..	..	..	70.00	15.50	70.00	15.50
10.	Telegraphs and Telephones ..	..	..	..	..	1151.00	185.00	1151.00	185.00
11.	Broadcasting	..	..	..	..	90.00	26.00	90.00	26.00
12.	Television	..	..	..	..	23.00	11.80	23.00	11.80
13.	Transport Sector Survey ..	..	..	..	..	..	4.00	..	4.00
	Grand total (Public Sector) ..	2,250.10	3,58.80	2,350.00	4,85.40	2,110.75	4,57.22	6,710.65	1,301.42

CHAPTER XIV

PHYSICAL PLANNING AND HOUSING

Rapid economic growth brings in its wake new problems and fresh challenges. The growth of G.N.P. achieved in Pakistan in recent years created problems of its equitable distribution and provision of better social services. In a society which attained political emancipation only within this generation it is natural that expectation of better conditions of life should grow rapidly when there is obvious evidence of great economic progress. The efforts to increase industrial and agricultural productivity must be accompanied by efforts to raise and maintain standards of education, of health and sanitation and to promote general social welfare. All these factors are inter-related but none can succeed in the long run without a determined effort to provide pleasant housing in suitable environment. Good housing is not produced automatically as a result of progress in the industrial, agricultural or commercial fields. Sustained and concerted efforts have to be made to create a decent and healthy environment for human beings. This can only be achieved by planning the entire physical environment in which people live, work and seek outlets for social, recreational and cultural needs. This has led to the concept of physical planning. The sectoral programme for the Third Plan focusses attention on regional and local needs and development, as well as on crystallizing a comprehensive planning system well-integrated on local, regional and national levels.

2 The Third Plan envisaged the continuation of the basic development programmes of the Second Plan which included organization for physical planning and housing and preparation of development plans for urban areas. In addition new schemes are included such as preparation of regional plans, urban development plans, outline development plans, planning surveys, legislation, creation of housing and building research centres at Dacca and Lahore, appropriate educational facilities for architecture, city planning and building trades. It also emphasized the settlement of the shelterless low-income persons and improvement of slums. In view of the limited resources, the most essential needs of housing and community services were considered within a system of priorities through an integrated programme in the government and the private sectors. Provision was also made for the development of essential housing facilities for public servants, particularly in the lower income groups, as well as construction of most urgent government offices and buildings. The principal targets of the Plan included the establishment of two Building and Housing Research Centres one in each Province, completion of 45 urban water supply schemes (20 in East Pakistan and 25 in West Pakistan) sinking or re-sinking of 160,000 tubewells, hand pumps in rural areas of East Pakistan and small rural water supply schemes in 400 villages of West Pakistan ; development and construction of 1,30,000 residential plots and houses (50,000 in East Pakistan and 80,000 in West Pakistan).

3 As shown below the overall achievements in the first three years of the Plan have not been satisfactory. This was mainly due to the curtailment of funds during the fist year of the Plan and the slow progress in the preparation and implementation of new schemes.

EXPENDITURE DURING THE FIRST THREE YEARS OF THE PLAN

	Third Plan allocation	Expenditures during three years	Percentage of expenditures against Third Plan allocation
East Pakistan	1,008.42	386.30	38.3
West Pakistan	739.32	234.84	31.7
Centre	729.09	477.12	65.4
Total ..	2,476.83	1,098.26	44.3

4. Implementation of the Central Programme, which covers mainly the construction of the two Capitals, Government offices, buildings and Government Servants' housing, has been satisfactory. In the Provinces, major progress was also made on Government offices/buildings and Government Servants' housing. But in the case of other areas, such as Basic Development, Low-Income Housing, Community Services and Utilities and aid to local bodies, not much progress has been made. Similarly the preparation of regional plans, urban development plans and outline development plans, was not given proper attention in both provinces.

Development Programme 1968/69

5. The Development Programme for 1968/69 allocates Rs. 472.3 million to Physical Planning and Housing, which is an increase of about 12 per cent over 1967/68, Within the sector, the following order of priorities has been used in formulating the programme :—

1. Basic Development Projects;
2. Water Supply, Sewerage and Drainage;
3. Housing (Low-Income);
4. Public Servants' Housing; and
5. Other Sub-sectors.

A table showing sub-sector-wise allocations is attached. The major targets for 1968/69 are described below.

EAST PAKISTAN

6. An allocation of Rs. 192.0 million has been provided for East Pakistan for the following major schemes :—

Basic Development

Location and planning of New Cities.—The data collection work has been completed and a start will be made on the preparation of an outline development plan for the Province.

Development plan for Dacca Metropolitan Region.—The work on this project will be initiated during 1968/69 and substantial progress is expected.

Housing and Building Research Centre.—The work on the project has progressed satisfactorily. The procurement of laboratory equipment and the research work will continue during the year. The training programme will be expanded in collaboration with the Dutch Government.

Low-Income Housing (Plots)

7. The work on the on-going schemes for the development of plots will continue and it is expected that during 1968/69 about 16,000 plots will be developed.

Public Servants' Housing

8. The funds provided will be utilized for the completion of on-going schemes and certain new schemes will be started.

Community Services and Utilities

9. *Urban Water supply, Sewerage and Drainage :*

1. WASA, Dacca	.. ..	The Work on this project will continue and substantial progress will be made by constructing a sewerage pumping station and laying service connections.
2. WASA, Chittagong	.. ..	The work will continue and material/equipment will be procured ; a storage tank will be completed.

P. H. E. Programme

10. This programme will include the continuation of work on rural water supply schemes as well as on watersupply schemes for 9 important towns, 21 municipal towns, a pilot scheme for village sanitation and some sewerage and drainage projects.

WEST PAKISTAN

11. The allocation provided for West Pakistan is Rs. 135.1 million for the following major schemes :

Basic Development

The work on the Peshawar Valley Project will be started and the data collection part will be completed. Similarly, work will also be initiated on the preparation of a Karachi Urban Development Plan. In addition one more Urban Development Plan and one outline development plan will be completed. The work on further development of the Building and Housing Research Station, which is in an advanced stage of implementation, will continue.

Plots

12. The work on the on-going schemes providing plots/houses to low-income groups will be continued, it is estimated that about 10,000 plots will be developed during 1968/69.

Public Servants' Housing

13. Major schemes include the construction of essential residential accommodation for Police. Judiciary and Civil Administration of various districts and sub-divisional towns.

Community Services and Utilities

14. (a) *Urban Water Supply.*—The work on the on-going schemes for Multan, Sukkur, Sheikhupura, Sargodha and Gujranwala will continue and substantial progress is expected. Further progress will be made on the Lahore Water Supply and Sewerage and Drainage Project and work is expected to be initiated on the Quetta water supply schemes.

(b) *Rural Water Supply.*—In addition to the completion of on-going schemes, some new rural water supply schemes will be taken up.

CENTRE

15. The allocation for Central Programme for 1968/69 is Rs. 145.2 million. for the following major schemes :

Basic Development

16. The work on the Research Studies Project Scheme will be taken in hand and substantial progress is expected. The scheme of setting up a Regional Planning and Development Centre will be started. The programme for training senior officials in Western Europe, North America, Canada and other countries will be expanded. The work on the Housing Survey Project will be accelerated.

Islamabad

17. The on-going scheme for construction of residential and office accommodations, highway and roads, water supply, sewerage and drainage, as well as development of Administrative Sector and acquisition of land, will continue and new schemes for the construction of the President's House, the President's Secretariat, the President's Guest House, the Plan House, and Housing Phase III will be taken in hand.

Ayub Nagar

18. The work on the on-going scheme will be accelerated and substantial progress is anticipated. Work on the other schemes of development of land, construction of a Hostel for Gazetted and Non-Gazetted officers, the Residence for Speaker and Deputy Speaker, will also progress. The construction of the President's House is also expected to start.

Government Servants' Housing

19. The on-going schemes for construction of residential accommodations for Central Government Servants at various places in East and West Pakistan will be continued and some of the schemes will be completed. Some new schemes will also be taken in hand.

Azad Kashmir and States and Frontier Regions

19. Sufficient funds have been provided for the completion of on-going housing and water supply schemes. The on-going schemes which are expected to be completed are :

1. Azad Kashmir and Northern Areas—Construction of Rest Houses, Water supply to Muzaffarabad, Water supply to Bagh Town, Construction of residential and office accommodation in Gilgit and Baltistan Agencies.
2. States and Frontier Regions : Forts and Piquets.

PHYSICAL PLANNING AND HOUSING SECTOR

ANNUAL DEVELOPMENT PROGRAMME

1968/69

(Million Rupees)

Sub-Sectors	East Pakistan	West Pakistan	Centre	Total
1. Basic Development	5.00	3.70	0.69	9.39
2. Housing :				
(*a*) Slum Improvement	16.76	16.20	—	32.96
(*b*) H. B. F. C./Advances to Public Servants for Housing..	—	—	7.00	7.00
(*c*) Public Servants' Housing	16.18	11.94	5.00	33.12
3. Government Offices and Buildings	28.82	15.86	4.10	48.78
4. Community Services and Utilities :				
(*a*) Urban Water Supply	70.10	31.69	—	101.79
(*b*) Rural Water Supply	5.90	5.48	—	11.38
(*c*) Fire Services	5.00	—	—	5.00
5. Aid to Local Bodies	42.24	50.00	—	92.24
6. Special Areas	—	0.26	3.37	3.63
7. Capital at Islamabad	—	—	95.00	95.00
8. Second Capital at Dacca	—	—	27.50	27.50
9. States and Frontier Regions	—	—	1.00	1.00
10. Miscellaneous	2.00	—	1.50	3.50
	192.00	135.13	145.16	472.29

Some Policy Issues

20. In the field of general housing, efforts are being made to shift the responsibility for housing for the middle and upper income groups to the private sector by creating an institutional framework and by removing bottlenecks by the entrepreneur.

21. Plans are also ahead for setting up Savings and Loans Associations on experimental basis and for the construction of housing for the industrial workers.

CHAPTER XV

EDUCATION AND TRAINING

The revised Third Five Year Plan provides Rs. 2,374 million for educational programmes. The expenditure in the first three years of the Plan are estimated at Rs. 697.7 million, or only 29 per cent of the Plan target. Plan implementation is even more discouraging in West Pakistan than in East Pakistan and the Centre.

2. The overall performance in physical terms is also below the target. For example, 3,000 new primary schools have been opened and 5,210 improved against tne Plan targets of 26,311 and 22,481 schools respectively, and the increase in enrolment is only 1.0 million against the Plan target of 5.8 million.

3. Improvement in the quality of secondary and college education is satisfactory. By the end of 1967/68, about 1,000 more high schools will be offering facilities for teaching science subjects, and programmes of teaching diversified courses will have been introduced in 1,000 secondary schools. A large number of high schools, intermediate and degree colleges have been improved by providing better accommodation, adequate science equipment, laboratory and library facilities which did not exist earlier.

4. In the field of technical education, the admission capacity to the diploma courses has increased from about 4,000 to 6,300 in the first three years of the Plan, but at the degree level the increase has been very small as compared to the Plan target, the total number of additional students enrolled for engineering degrees being only about 100 in three years.

5. Development of university campuses and the construction of buildings, both academic and residential, continued. New universities at Islamabad and Chittagong started functioning. On the academic side, the main emphasis has been on the improvement of teaching and research activities in scientific disciplines. The number of post-graduate students in scientific subjects has increased more than 40 per cent.

6. The number of scholarships increased from 30,000 to 37,000 over the three years. This has ensured greater equality of educational opportunity and social mobility.

Development Programme 1968/69

7. Rs. 430.5 million has been provided for Education and Training in 1968/69—an increase of about 40 per cent over 1967/68. Out of this amount Rs. 234.8 million is for education in East Pakistan, Rs. 158.3 million for West Pakistan and Rs. 37.4 million for the Central Government. The allocation for the various sub-sectors is indicated in the table at the end of this chapter. The major emphasis is on technical education, which will receive more than a quarter of total expenditures.

EAST PAKISTAN

Primary Education

8. Under the Programme, 1,950 existing primary schools will be provided with improved buildings and equipment, and 300 new primary schools will be established. Enrolment is estimated to increase by 0.45 million during the year.

Secondary Education

9. Thirty junior high Schools, 194 high schools and 33 non-government intermediate colleges will be completed. In addition, 10 boys' and 5 girls' high Schools in congested town areas will be established. Development work will be started at 17 more junior high schools, 10 government and 100 non-Government high schools and 5 government and 70 non-Government intermediate colleges. Facilities for teaching science will be provided in 480 secondary schools. Courses in crafts will be introduced in 312 secondary schools and provision for religious education will be made in 8 missionary schools. Construction of buildings for 3 residential model schools will continue and construction of 3 more residential schools and 4 science colleges will be taken in hand. It is estimated that the enrolment at the middle, high and intermediate levels, will increase by 100,000, 25,000 and 16,000 respectively.

Teachers' Education

10. The on-going programme for improvement and expansion of 47 primary training institutes will be continued. This programme will include construction of additional buildings for the institutes, hostels for trainees and provision of equipment and furniture. The Junior Training College at Mymensingh, the Teachers' Training College at Khulna and construction of hostels for women trainees at Rajshahi will be nearly completed. The exapnsion of the Education Extension Centre will continue and the expansion and improvement of 5 existing teachers' training colleges will be started.

Technical Education

11. *Engineering.*—Rs. 7 million has been earmarked for the East Pakistan University of Engineering and Technology to finance construction of academic, administrative and residential buildings, procurement of equipment, library books and other necessary amenities. The buildings of the Rajshahi Engineering College will be completed by the end of 1968 and construction work of the Engineering College at Chittagong will be carried further. Work will also be started on the construction of buildings of the Engineering College at Khulna. The annual admission to the degree engineering courses is estimated to increase from 520 to 740 and the Engineering College at Chittagong will make its first admission of 120 this year.

12. *Training of Technicians.*—The expansion of Dacca Polytechnic Institute, and the upgrading of the technical institutes at Comilla and Mymensingh to polytechnic level, will be completed. Work will be carried further for the expansion of Khulna Polytechnic Institute, upgrading of Technical Institutes at Barisal, Bogra, Pabna, Rangpur and Sylhet to polytechnic level, and establishment of a Polytechnic at Joydevpur and a Graphic Arts Institute at Dacca. The expansion of Chittagong Polytechnic Institute and upgrading of the Technical Institutes at Dinajpur, Faridpur, Feni, Jessore, Kushtia and Rajshahi will be taken in hand. The number of admissions to the diploma courses in 1968/69 will be 3,750 as gainst 2,800 in 1967/68.

13. *Trade and Craft Courses.*—The establishment of 17 Vocational institutes at sub-divisional headquarters and 2 Vocational institutes at Chittagong Hill Tracts will be completed and work will continue on the introduction of trade courses in another 8 technical institutes. The establishment of 68 Vocational institutes will be started and work on the establishment of Commercial Institutes at Dacca, Chittagong and Khulna will continue.

College Education

14. The construction of Bangla College and Central Women's College, Dacca, and upgrading of the College of Commerce, Khulna will be completed. Eight government degree Colleges and 31 non-Government degree Colleges will be improved and expanded by providing additional buildings and adequate scientific equipment. Work will be continued at A.M. College, Mymensingh, B.M. College, Barisal, Carmaichal College, Rangpur, which have been recently provincialised and the project for the establishment of a Government degree College will be continued.

Universities

15. Rs. 33.00 million has been allocated for the Universities of Dacca, Rajshahi, Chittagong and Jahangirnagar. The programme for the three existing universities will include construction of academic buildings, hostel for students, residences for the teaching and other staff, and purchase of equipment and library books. Work will also be started on the construction of Jahangirnagar University.

Scholarships

16. Rs. 12.4 million has been provided for internal scholarships. Separate funds have been earmarked for advanced foreign training of teachers.

Miscellaneous

17. The provision of school meals will be continued at 550 secondary schools; the audio-visual education Centre, Dacca, will be expanded and pilot projects for adult education will be continued. Funds have also been provided for the development of Madrasah education.

WEST PAKISTAN

Primary Education

18. Provision has been made for opening 1,500 new primary schools and improving 2,200 existing ones by providing furniture, equipment and teaching aid. Enrolment is estimated to increase by 0.3 million.

Secondary Education

19. On-going projects for the establishment of 2 model schools at Lahore will be completed. 155 primary schools will be raised to middle standard and 20 middle schools to high standard. 10 new single-section Government high schools and 8 comprehensive high schools will be opened. Construction of buildings of 20 Government single section high schools and 16 comprehensive high schools which started functioning in rented buildings, will be taken in hand. Necessary equipment and libraries will be provided to all new schools and library services will be improved at 16 other existing high schools. Facilities for teaching science as compulsory subject will be introduced in 206 high schools. In addition, industrial art courses will be introduced in 16 high schools, home-economics courses in 16 girls' high schools and commercial/agricultural courses in 10 boys' high schools. Construction of 10 hostels for the Government high schools will be completed and construction of another 10 hostels will be taken in hand. Existing schools will be expanded by constructing 75 class-rooms ; grants-in-aid will be given for opening 7 non-Government high schools and for constructiing 62 class-rooms and arts drawing rooms at existing non-Government high schools ; seven new intermediate colleges will be started ; buildings will be constructed for 10 existing Government intermediate colleges ; teaching of I.Sc. courses will be introduced in 3 Government intermediate colleges and grants-in-aid will be awarded to 7 private colleges for introducing similar programmes. During 1968/69 enrolment at middle, high and intermediate stages will increase by 125,000, 27,000 and 18,000 respectively.

Teachers' Education

20. The establishment of 3 Regional Education Extension Service Centres for high school teachers and 4 centres for in-service training of middle and primary school teachers will be completed. Work will be continued on the expansion of the Technical Teachers, Training College, Lyallpur, and construction of hostel for Education Extension Centre at Lahore. Major emphasis will be on improving teachers education by organizing extensive in-service training programmes of secondary school teachers for teaching of science, other technical and vocational subjects.

Technical Education

21. *Engineering.*—Rs. 6.00 million has been earmarked for the Engineering University at Lahore, which will include construction of academic buildings and hostels for students, residences for-teaching staff and purchase of scientific equipment. Provision has also been made for starting construction of buildings for the N.E.D. Engineering College at a new site adjacent to the Karachi University Campus. Engineering College at Hyderbad will be almost completed and the Engineering College, Peshawar will be further improved. The annual admission to the degree engineering courses in 1968/69 will be 1 350 an increase of 11 per cent over the previous year.

22. *Training of Technicians.*—The Polytechnic Institute at Multan will be completed and work on the Polytechnics at Larkana, Quetta, Leiah, Sargodha, Haripur and D. I. Khan, will be accelerated. Work will be continued on the establishment of a Polytechnic at Lyallpur and the expansion of existing Polytechnics at Lahore, Peshawar, Karachi, Bahawalpur, Khairpur, Hyderabad, Rawalpindi and Sialkot, will be started. New technologies will be added to the existing programmes of some institutes. Work will also be continued on the establishment of vocational schools at Nowshera, Bahawalpur, Khanewal, Nawabshah and Sukkur, and the re-organization of the existing industrial and vocational Schools. In addition a number of new vocational schools will be established during the year. It is estimated that admission capacity to diploma courses will be 4,000 in 1968/69 as against 3,500 in 1967/68.

College Education

23. Qualitative improvement of the teaching of science subjects will be the major programme at the degree level. B.Sc. courses will be introduced in 3 existing intermediate colleges and two degree colleges and grants-in-aid will be awarded to non-Government colleges for introducing similar programmes.

Libraries will also be improved at 6 Government and 8 non-Government degree colleges. One new superior science college will start functioning and construction of buildings will be continued for 6 superior science colleges

Universities

24. Rs. 11.03 million is provided for the development of the four existing Universities in the Province. This amount will be distributed on the basis of priority of programmes to be implemented by the universities during the year. Special attention will be paid to the development of research programme at the doctoral level particularly in science subjects.

Scholarships

25. Rs. 19.0 million is provided for about 27,000 scholarships to talented students of various levels.

Centre

26. Rs. 8.15 million is provided for the university programmes. Of this, Rs. 7 million will be spent on the development of Islamabad University Campus, construction of buildings for various Faculties and the procurement of equipment, books, etc. The University at Dacca and the East Pakistan University of Engineering and Technology, Dacca, will be given grants for strengthening post-graduate studies.

27. Under the scholarships programme, 30 university and college teachers and 16 university graduates with excellent academic records, will be sent abroad for advanced training. About 70 students from friendly countries will also be awarded scholarships for studies in Pakistani institutions in addition to 111 students already enjoying such scholarships. Provision has also been made o supplement 135 scholarships offered by foreign countries.

28. Central Government educational institutions at Islamabad and Dacca will be provided with additional accommodation, equipment, furniture and library facilities. Construction of buildings for the establishment of 6 primary and 3 secondary schools and a Government Intermediate College for Girls will be started. Funds have also been provided for the establishment of Girls' Model School, Islamabad.

39. Other important programmes include Cultural Pacts, development of Urdu and Bengali Languages, programme of National Archives, Liaquat Memorial Library, Museum of Science and Technology, National Museums at Islamabad and Dacca, Central Bureau of Education and promotion of Archaeology and Museums.

Major Policy Issues

30. One of the major policy issues in the Education Sector is inevitably the provision of adequate funds. As mentioned, less than 30 per cent of the Plan target has been achieved so far. The shortage of foreign exchange, which is needed particularly for workshops and science laboratories, has held back the progress, in these important fields. The priority which Pakistan should give to Education deserves therefore a careful review.

31. But adequate funds are only part of the problem. The Provincial Governments in the past have lacked the administrative capacity to implement large programmes, and even if larger programmes had been implemented, the recurrent costs, particularly teachers salaries, could hardly be met from the limited revenue resources. The concept of development and non-development expenditure for Education, therefore, needs to be reviewed.

32. The machinery for preparing Education plans is inadequate. Undue delays occur in the preparation and submission of schemes as well as in their implementation by the executing agencies. Many important schemes are yet to be prepared and processed and the situation is apparently most serious for technical education. The need for better planning is also illustrated by the high level of uncomployment and under-employment amongst arsts graduates. The existing set-up for educational planning must, therefore, be strengthened with trained and specialized staff. There is, however, a shortage of such staff in the country so that it may be necessary in the near future to establish an institution for training permanent officers in educational research, administration and planning.

33. Finally, in constructing educational institutions, the emphasis should be on simple functional buildings rather than architectural monuments. It is the standard and quality of education which is crucial. In view of Pakistan's limited resources, the utilization of existing physical facilities, particularly in technical and higher education should be maximized by proper scheduling of academic programmes and, if necessary, by introducing double shifts through the employment of additional staff. A thorough review of the effectiveness of existing methods in this field is needed in order to secure optimum use of limited educational funds.

ANNUAL DEVELOPMENT PROGRAMME FOR 1968/69

(EDUCATION AND TRAINING)

(Million Rupees)

1	Sub-Sectors	East Pakistan	West Pakistan	Centre	Total
	2	3	4	5	6
1.	Primary Education	43.01	6.15	—	49.16
2.	Secondary Education	48.10	43.46	—	91.56
3.	Teachers' Education	9.83	5.98	—	15.81
4.	Technical Education	66.00	45.48	—	111.48
5.	Colleges	9.77	15.89	—	25.66
6.	Universities	33.00	11.03	8.15	52.18
7.	Scholarships	13.40	19.05	2.64	35.09
8.	Madrasah Education	2.11	—	—	2.11
9.	Social and Cultural Activities	3.81	0.84	7.83	12.48
10.	Central Government Educational Institutions at Islamabad, Rawalpindi and Dacca	—	—	8.06	8.06
11.	Special Projects	2.09	2.52	—	4.61
12.	Provision for implementation of the recommendations of the Commission on Students' Problems and Welfare ..	—	3.30	—	3.30
13.	Special Areas	—	4.64	2.05 (A.K.)	6.69
14.	Public Administration (including survey and statistics) ..	3.00	(F.R. & B.M.A.)	4.63	7.63
15.	Publicity schemes	—	—	2.00	2.00
16.	Establishment Division—Scholarships for children of non-Gazetted Central Government employees	—	—	0.50	0.50
17.	Planning Division	—	—	1.50	1.50
18.	Miscellaneous	0.70		—	0.70
	Total ..	234.82	158.34	37.36	430.52

CHAPTER XVI

HEALTH AND MEDICAL SERVICES

1. The allocation for Health and Medical Services in the Third Plan is Rs. 1,175 million in the public sector, primarily for family planning, malaria eradication, tuberculosis control, rural health facilities, medical education and training, and hospital beds. As shown in the table below, total expenditure is estimated at Rs. 504 million in the first three years of the Plan, which is 43 per cent of the Plan target.

(Million Rupees)

	Plan Provision	Expenditures 1965-68	Percentage Utilization
East Pakistan	561.57	261.94	46.6
West Pakistan	507.94	196.20	38.6
Centre	105.02	45.94	43.9
Total ..	1,174.53	504.08	42.9

2. The implementation of the programmes in the Health Sector has been generally satisfactory, though there are important exceptions. A population of 98 million has been provided protection against malaria by the end of 1967. There are positive indications that it will be possible to achieve a break-through in reducing the national birth rate through the family planning scheme. About 1.9 million couples are now practising family planning in the country and it is claimed that through family planning activities, 1.7 million births have been prevented so far ; to reduce the national birth rate from 50 to 40 per thousand at least 4 million births will have to be prevented.

3. The training and educational facilities for medical and para-medical personnel are improving. Work for the establishment of medical colleges at Sylhet and Mymensingh is progressing well. Work has been started to set up 2 new medical colleges at Barisal and Rangpur.

4. The Malaria Eradication Programme suffered set backs in West Pakistan due to insufficient availability of funds. The Rural Health Programme is also in a state of suspension in West Pakistan ; so far only 85 primary centres have been completed out of 160 sanctioned during the Second Plan. In East Pakistan, the position is equally discouraging, with only 88 rural health centres completed out of 160 sanctioned in the Second Plan, and a new scheme for providing 100 more rural health centres during the Third Plan is yet to be prepared.

Development Programme—1968/69

5. Rs. 245.8 million has been provided for Health and Medical Services for 1968/69, with the following break-up :—

(Million Rupees)

East Pakistan	121.2
West Pakistan	101.5
Centre	23.1
Total ..	245.8

The following programmes are proposed to be undertaken :—

Family Planning

6. Four additional districts will be covered under the Family Planning Programme in East Pakistan (Pabna, Sylhet, Chittagong Hill Tracts, Jessore) and seven in West Pakistan (Dadu, Thatta, Campbellpur, Jacobabad, Bahawalnagar, D. G. Khan, Mianwali). This will raise the number of districts covered to 36 in West Pakistan and 17 in East Pakistan. The monthly targets include the placement of 100,000 I.U.D., the sale of 37.6 million conventional contraceptives and 75,000 sterilizations. These activities will result in 526,445 couple years of protection per month.

Malaria Eradication

7. It is expected that at least 4 districts (Dinajpur and Rangpur in East Pakistan, and Sheikhupura and Sialkot in West Pakistan) with a population of 9.4 million will be cleared of malaria by the end of the year. Four districts in East Pakistan, with a population of 14.1 million, and 8 districts in West Pakistan, with a population of 17.1 million, will be under the tertiary (consolidation) phase of malaria eradication. 11 districts in East Pakistan, with a population of 33.7 million, and 31 districts of West Pakistan, with a population of 24 million, will remain under the secondary (attack) phase of malaria eradication. One new area in East Pakistan (Bakerganj) and three in West Pakistan (Quetta Division, Kalat Division and Malakand Agency) will be brought under the primary (preparatory) phase of malaria eradication. As a result, by the end of 1968/69 the entire country will be covered by the Malaria Eradication Programme.

Medical Education and Training

8. Further work will be done to complete medical colleges at Sylhet, Mymensingh, Barisal and Rangpur. All the medical colleges in West Pakistan will be provided with additional facilities. Work will continue on an attached hospital for the Khyber Medical College, Peshawar, on a permanent building for the School of Tropical Medicine, Dacca, and on the improvement of the Jinnah Postgraduate Medical Centre, Karachi. Additional facilities will be made available for the training of para-medical personnel, including a training institute for para-medical personnel at Rajshahi.

Hospitals

9. Work will be initiated at Faridpur, Bogra and Comilla for modernizing the district hospitals. At a sub-divisional level, work will continue for modernizing hospitals at Chuadanga, Naogaon and Kori-gram. The modernization of hospitals at Jhenaidah, Bagerhat and Chandpur will be initiated, and work on a 50-bed hospital at Saidpur will continue.

10. In West Pakistan, existing hospitals at tehsil and district levels will be improved and new hospitals provided where they do not exist. Work will be started on new tehsil hospitals at Mansehra, Rajanpur, Moro, Shahdadkot and Mehar. Hospitals located in urban areas like Karachi, Lahore, Peshawar, etc., will be improved. Additional facilities for the treatment of mental patients will be provided. A substantial amount has been provided for the modernization and expansion of the Mayo Hospital, Lahore. The Central Health Programme includes funds for the Ayub Hospital, Dacca, and the Islamabad Hospital.

T. B. Control

11. Mass vaccination under the B.C.G., Programme will continue in both provinces. Staff quarters will be provided for the T.B. Hospital, Chittagong. Work will continue on the 100-bed T.B. Hospital, Khulna, and the expansion of the Hospital for and Institute of Chest Diseases at Dacca. In West Pakistan, beds for T.B. patients will be provided in the district hospitals and the T.B. Sanitorium at Karachi will be expanded. Under the Central programme, 100-bed T.B. Research Hospitals will be set up at Dacca and Rawalpindi.

Rural Health Programme

12. Work will be started on 52 new rural health centres in East Pakistan and on 15 centres in West Pakistan.

Miscellaneous

13. Allocations have been made for developing the commercial potentialities of the Biological Production Laboratories of the Institute of Public Health, Dacca. It is planned to establish or improve medical stores depots at Dacca, Khulna and Chittagong. In West Pakistan, a campaign will be started for small pox eradication and the compulsory internship of doctors will be introduced. Additional facilities will be provided at the National Health Laboratories, Islamabad.

CHAPTER XVII

SOCIAL WELFARE SERVICES

The Revised Third Plan allocated Rs. 90 million for Social Welfare Services. Expenditure in the first three years of the Plan is estimated at Rs. 29 million, so that only about one third of the target has been achieved. As to the physical targets, only 158 new physical units of social welfare services could be provided compared to 527 units included in the Plan.

2. An important compensating factor has, however, come from the private social welfare sector. Enhanced motivation and development of the private sector is being pursued in order to involve the people in these social service tasks and to seek their fullest participation in assuming responsibilities to meet their social needs and resolve their social problems through community action and by contributing money, time and effort. By now, there are over 4,000 agencies working in the field. This programme of social welfare is entitled " financial assistance and professional consultation of voluntary agencies ". The most encouraging factor in this programme is that for every rupee spent by the Government in giving financial aid and providing professional assistance to these voluntary agencies, nearly thirty rupees have been contributed by the private social welfare agencies. Till now only about 1000 agencies have been provided financial assistance ; the remaining 3000 collect their own funds and only professional assistance is rendered to them by the Provincial Directorates of Social Welfare. The standard of service of all agencies is not yet adequate but on the whole their performance is commendable and rightfully claims the major contribution in the development of this sector.

Development Programme—1968/69

3. The allocation for the social welfare sector for 1968/69 is Rs. 21 million, of which East Pakistan will receive Rs. 9 million, West Pakistan Rs. 7.5 million, and the Centre Rs. 4.9 million. The allocation is a 40 per cent increase over 1967/68 and will enable the Provincial and Central Governments to make up some of the shortfalls that have occurred so far.

4. The *private sector* is expected to continue to play its major role in the organisation and provision of social welfare services for the people. Rs. 3 million has been allocated for providing financial assistance to deserving agencies. A study on "Investment of Private Sector in Social Welfare" will be undertaken by the Planning Commission in collaboration with four Departments of Social Work in the Universities of Lahore, Karachi, Dacca and Rajshahi for guidance in the development and strengthening of the private sector in the Fourth Plan.

5. Major programmes for 1968/69 include the priority schemes of community development in urban and rural areas, financial assistance and professional consultation of voluntary agencies, youth development, child welfare and medical social work. These programmes have a mass impact as they seek the participation of citizens to improve their own lot as well as that of their fellow-beings. They help to enhance the economic capacities of individuals, families and communities and improve their physical environments. Curative and rehabilitative programmes concerned with the protection, care, training and rehabilitation of the socially, economically and physically handicapped (widows, old-aged, disabled, beggars, delinquents, deaf and dumb) receive a lower priority in the annual plan in the public sector but these programmes are actively pursued in the private sector. The main purpose of the public sector programme in these fields is to provide model institutions and services for the benefit of the private sector.

6. The physical targets include continuation of 69 urban community development projects and initiation of 10-15 new ones, continuation of 30 pilot-projects of social service in rural areas (rural community development and initiation of supervisory services for community development) in West Pakistan and their initiation in East Pakistan; continuation of social work education and training and its systematic organisation in Sind and Peshawar Universities, and initiation of social research, which has hitherto been neglected. Greater emphasis will be given to the continuing programme of social services for children, youth and families, and school social work and social services for socially, economically and physically handicapped. It is hoped that by the end of 1968/69, nearly 55 per cent of the total plan for social welfare will be implemented. Nearly 66 new service units will be provided, 24 in East Pakistan and 42 in West Pakistan.

ANNUAL DEVELOPMENT PROGRAMME 1968/69 : SOCIAL WELFARE PHYSICAL TARGETS AND MAJOR PROGRAMMES

Sl. No.	Name of Sub-sector/Item	Third Plan Targets	Achievements in 1965-68	Targets of A.D.P. 1968/69			Total
				East Pakistan	West Pakistan	Centre	
1	2	3	4	5	6	7	8
1.	Administration	3	1	—	—	—	—
2.	Research and Publication	1	1	—	—	—	—
3.	Training	4	4	—	Continuation	—	Continuation
4.	Urban Community Development	89	69	—	Continuation	—	Continuation
5.	Social Services for Rural Communities ..	30	14	—	16	—	16
6.	Financial and Professional Assistance to Voluntary Agencies, Universities and Colleges	3	3	—	Continuation.	—	Continuation
7.	Social Services for Children	199	16	10	4	—	14
8.	Social Services for Youth	3	3	—	Continuation	—	Continuation
9.	Social Services for Families	6	3	1	2	—	3
10.	Medical Social Work	11	2	1	—	—	1
11.	School Social Work..	22	8	1	12	—	13
12.	Recreation Services for Masses	—	—	—	—	—	—
13.	Social Services and Model Institutions for Socially and Economically Handicapped ..	67	9	—	6	—	6
14.	Social Services and Model Institutions for Physically Handicapped	59	11	7	2 ..	—	9
15.	Social Services for Delinquents	21	5	4	—	—	4
16.	Social Assistance Units	—	—	—	—	..	—
17.	Staff Welfare Fund	9	9	..	Continuation	—	Continuation
	Total ..	527	158	24	42	—	66

CHAPTER XVIII

MANPOWER TRAINING AND LABOUR

The major problems facing Pakistan in respect of manpower and employment are wastages occurring due to unemployment and under-employment, and lack of skills needed in a rapidly industrialising society. The Third Plan aimed at creating 5.5 million new jobs against a projected increase of 4.2 million in the labour force, thus reducing unemployment from 20 per cent of the labour force in 1965 to 15 per cent in 1970. The Third Plan regarded the improvement in vocational guidance and employment counselling, improved utilization of skilled manpower and enforcement of statutory and welfare measures as the main vehicles towards the attainment of the employment target.

2. The Plan allocated Rs. 85.6 million for the Manpower Training and Labour sector. During the first three years of the Plan, expenditures have been Rs. 21.6 million, or only 25 per cent of the Plan allocation. Because of lack of reliable data it is difficult to estimate the current manpower and employment situation, but detailed work is underway to determine the extent to which the employment objectives are being realised and to assess and analyse the manpower demand and supply according to industry, occupation, skill and education. In addition, the East Pakistan Government enacted six new labour laws during the years under review, the West Pakistan Government adopted four new laws and the Cental Government enacted two laws.

Development Programme—1968/69

3. The development programme for 1968/69 provides Rs. 16.2 million in the Public Sector for the Manpower Sector, of which Rs. 8.0 million is for East Pakistan, Rs. 6.7 million for West Pakistan and Rs. 1.5 million for the Centre. The overall increase over 1967/68 is 60 per cent. The main objectives of the programme are :

Manpower Training and Skill Development

4. In East Pakistan, work of re-organization, modernization and expansion will be undertaken on the SEATO-PAK Technical Training Centre, Dacca, Vocational and Staff Training Centre, Chittagong, Marine Diesel Centre, Narayanganj, German-Pak Technical Training Centre, Dacca, and Technical Training Centre, Rajshahi. Partial construction work will also be undertaken on technical training centres at Khulna, Comilla, Mymensingh, Faridpur, Barisal and Bogra. Other programmes include improvement and expansion of apprenticeship training offices at Chittagong and Khulna, partial construction of an apprenticeship office at Dacca, setting up of an auto-technician unit attached to the Vocational and Staff Training Centre, Chittagong, and expansion of the existing East Pakistan Management Department Centre, Dacca. In West Pakistan, the programme envisages the completion of the construction of the Technical Training Centre, Peshawar, and of a foundry and pattern-making shop at SEATO-PAK Technical Training Centre at Karachi The programme will include partial completion of on-going technical training centres at Hyderabad Multan, Moghalpura and Gulberg (Lahore), a new technical training centre at Rahimyar Khan and another technical training centre for released defence personnel at Jhelum. In the Central programme, construction work for expansion of the existing National Institute of Labour Administration Training, Karachi will be initiated.

Labour Market Organisation

5. In East Pakistan, a new vocational guidance and youth employment unit will be set up at Rajshahi, in addition to two such units already existing at Dacca and Chittagong. In West Pakistan, a pilot research project for rural employment promotion will be initiated. In the Centre, arrangements will be made for implementation of the project on foreign employment in order to undertake comprehensive research on national and foreign employment market conditions for providing assistance to prospective emigrants. The National Manpower Council will work to improve and speed up the construction of the national register of high level personnel.

Promotion of Industrial Peace

6. In East Pakistan, work on the construction of the headquarters building for the Labour Directorate at Dacca will be continued, and the construction of Divisional Office buildings of the Labour Directorate at Dacca and Khulna will be completed.

Provision of Safety and Security

7. In East Pakistan, the improvement work presently underway on seven labour welfare centres will be continued. In West Pakistan, partial construction work of the Mines' Rescue Centre at Quetta will be undertaken. The enforcement of the West Pakistan Employees' Social Security Ordinance, 1965, will be expanded to include more cities and industries. Steps will be taken to initiate a Social Security Programme on similar lines in East Pakistan.

Labour Laws

8. In East Pakistan, with the reorganization of the Labour Directorate after completion of its new headquarters and regional and divisional offices, administration and enforcement of existing Labour Legislation will be strengthened. In West Pakistan, enforcement of the newly enacted labour laws will be vigorously undertaken.

Analysis Evaluation and Statistics

9. The quarterly surveys of current economic conditions will be made more comprehensive and undertaken more regularly by the Central Statistical Office in order to provide more up-to-date data on the labour force.

Major Policy Issues

10. *Manpower Training.*—The Plan recommended that different levels of training, their nomenclature, length of training, nature of award and system of administration should be adequately defined. The responsibility for training at all levels needs to be periodically reviewed and apportioned between the public and private sectors, and between on-the-job training and regular training institutions. It recommended that a trade testing board should be set up in consultation with the training authorities to conduct examinations at below diploma level, and award certificates on a uniform basis. These recommendations need implementation.

11. *Wage Policies and Incentives.*—The Plan recommended that the existing measures which afford protection to earnings of industrial workers should be improved along the following lines :—

(*a*) Collective agreements, decisions of industrial courts, and implemetations of the wage rates fixed under the Minimum Wages Ordinance, 1961, should be enforced rigidly.

(*b*) Protection afforded to labour employed by the contractors working for the P. W. D. and M. E. S. should be extended to cover the labour employed by other categories of contractors.

(*c*) The Minimum Wages Board should annually review the minimum wages, and consider the desirability of fixing the statutory minimum wages at a fair level.

(*d*) Provincial Governments should undertake continuing studies of productivity and establish guidelines for wage increascs related to the results of these studies.

(*e*) The payment of bonus should be regularized.

(*f*) The Payment of wages Act, 1936 should be amended to cover all employees.

12. The Central Labour and Social Welfare Division will expedite necessary action in consultation with the two Provincial Governments.

Promotion of Industrial Peace

13. The working of the revised laws on industrial Disputes should be carefully examined with a view to draw up on a more rational basis the schedules of the public utility services, and provide for compulsory arbitration of disputes in all public utility services, suitable notice of strike for all establishments of certain magnitude and bilateral collective bargaining.

14. The new trade union laws should be examined so as to provide for the registration of industry wise federations of labour unions and discourage the multiplicity of unions.

15. A statutory grievance procedure should be introduced in the relevant laws along the lines recommended in the Plan so as to settle industrial disputes in the first instance through direct bilateral collective bargaining between the employers and the workers.

Provision of Safety and Secruity

The revision of the protective labour legislation dealing with safety, health, welfare, hours of work, weekly rest intervals, minimum age of employment and special provision for the employment of children, women and contract workers has been delayed and needs to be expedited by the Provincial Governments, so as to bring them in conformity with the changing socio-economic conditions of the country. In addition, a suitable industrial housing legislation should be enacted as recommended in the Third Plan.

CHAPTER XIX

WORKS PROGRAMME

The Rusal Works Programme is a unique experiment in grass-root planning, and mobiiization of the energies of the people in rural areas for implementation of development projects of local importance. Over-population, with its pressure on land, is a serious liability to our economy. This liability can be converted into an asset if the surplus manpower in rural areas is put to productive use. The Works Programme attempts to do this by creating work opportunities for rural people on projects requiring small amounts of capital as a complement to local labour.

2. The Third Plan provides for a large and more comprehensive Works Programme, and allocated Rs. 1,820 million for it, (Rs. 1,200 million for East Pakistan, Rs. 600 million for West Pakistan and Rs. 20 million for the Special and Northern Areas). Most of these funds are for the creation of a rural infra-structure such as roads, bridges, irrigation canals, flood-protection embankments, and drinking water supply facilities. Expenditures in the first three years of the Plan are estimated at Rs. 637 million, or only about 35 per cent of the five year target. Most of this shortfall is due to the late release of funds in West Pakistan.

3. In East Pakistan, the main physical achievements in the last three years of the Plan in the Communication sector were the construction of 34,519 miles of " Kutcha " roads, 1,188 miles of " Pucca " roads and 20, 565 bridges and culverts. In the Building sector, 1693 buildings for Thana Training Development Centre, Union Community Centres, Town/Municipal Halls, Coastal Community Centres and Market/ Shopping Centres were constructed. Construction of 3,884 miles of embankments and 2,515 miles of canals and drainage were undertaken in the Flood Protection and Irrigation sector. In addition, 129 derelict tanks and 31 playgrounds were prepared. Since 1966/67 the Thana Pilot Irrigation Programme was undertaken to raise a third crop during the dry winter months and pump groups were organised by the Basic Democrats.

4. In West Pakistan, the main physical achievements in the Communication sector were the construction of 322 miles of metalled roads, 1,204 miles of treated roads, 2,260 miles of " Kutcha " roads, 66 bridges and 4,020 culverts. In the Health and Sanitation sector, construction of 352 civil dispensaries, 118 drains, excavation of 278 diggies and tanks and installation of 5,711 hand-pumps was completed. The achievements in the Water, Power and Irrigation Sector included 110 tube-wells, 777 open surface wells and 267 " Karazes ". In the Education sector, 1,902 schools and in the Social Welfare and Housing sector, 558 communicty centres were constructed. Construction of 155 veterinary dispensaries was the main feature in the Agriculture sector.

5. In Azad Kashmir, 114 miles of vehicular roads, 32 miles of pony tracks, and 35 bridges were constructed. In addition, 130 school buildings were constructed, 18 lift pumps were installed and 18 tanks were excavated. In the Gilgit and Baltistan Agencies, 29 schemes relating to Transport and Communication sector for construction of bridle paths, pony tracks, foot bridges and forest feeder roads were undertaken. 101 schemes were executed for the provision of irrigation canals, water tanks and " bowlies".

Development Programme —1968/69

6. Rs. 365.8 million has been allocated for the Works Programme in 1968/69 (Rs. 261.1 million in East Pakistan, Rs. 100.00 million in West Pakistan and Rs. 4.7 million in the Centre). This is an increase of almost 20 per cent above the 1967/68 level. As a result, about 55 per cent of the Plan allocation will be spent in the first four years.

7. In East Pakistan, the programme during this year will be more oriented towards agriculture. Particular emphasis will be on the extension of the Thana Irrigation Programme so as to cover the entire province, and on the organisation of pump groups by the Basic Democracies. Programmes for the establishment of workshops in each thana for regular training in machine-servicing and maintenance will be undertaken. In addition, numerous programmes for the building up of the rural infra-structure, such as the construction or roads, bridges, culverts, buildings and embankments etc., will continue.

8. In West Pakistan, the main emphasis will be on communications which accounts for about one-half of the expenditures. The remainder will go for schemes relating to water supply, education and social welfare.

9. In Azad Kashmir and Northern Areas the main emphasis will be on irrigation, but the programmes for the construction of roads and protective bunds will also be continued.

Major Policy Issues

10. The main bottleneck in the prompt execution of the Works Programme has been the late and piece-meal release of funds in West Pakistan. It is important, therefore, that the financial system be streamlined if the Works Programme is to be carried out effectively.

TABLE X—1 AGRICULTURE : PHYSICAL ACHIEVEMENTS/TARGETS

PAKISTAN

Sl. No.	Sub-sector/Item	Unit	Third* Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage-Implementation during first four Years.
1	2	3	4	5	6	7	8	9
1.	Wheat	Thousand tons	5,464	3,889	4,324	6,000 (*a*)	6,300 (*a*)	..
2.	Rice	„	14,445	11,631	10,767	12,200	13,600	93
3.	Maize	„	786	534	581	800(a)	1,000(a)	..
4.	Other foodgrains	„	770	728	740	600(a)	880(a)	..
5.	Total (foodgrains)	„	21,465	16,782	16,412	..	..	..
6.	Oil seeds	„	1,827	1,182	1,315	..	..	..
7.	Sugarcane	„	28,300	29,507	29,705	..	..	..
8.	Jute	Thousand bales.	8,000	6,364	6,400	6,800	7,500	90
9.	Cotton	„	3,520	2,347	2,573	2,700 (a)	3,100 (a)	..
10.	Tea	Million pounds	73.5	60 0	64.5 (b)	65.0	..	..
11.	Tobacco	„	273	303	392	..	..	..

(a) These figures relate to West Pakistan only, as the Annual Plan, 1968/69 does not contain data for East Pakistan.

(b) Ministry of Agriculture has recently revised the figure to 63 million lbs.

*As given in the Third Plan document.

TABLE X—2 AGRICULTURE : PHYSICAL ACHIEVEMENTS/TARGETS

EAST PAKISTAN

Sl. No.	Sub-sector/Item	Unit	Third* Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage Implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Wheat	thousand tons	64	35	58	*N.A.*	*N.A.*	
2.	Rice	„	12,725	10,335	9,424	10,800	11,500	90
3.	Maize	„	16	3	3	3(a)	..	..
4.	Other foodgrains	„	20	12	15	*N.A.*	*N.A.*	..
5.	Total (foodgrains)	„	12,825	10,385	9,500	*N.A.*	*N.A.*	..
6.	Oil seeds	„	277	148	168	*N.A.*	*N.A.*	..
7.	Sugarcane	„	7,050	7,550	8,070	*N.A.*	*N.A.*	..
8.	Jute	Thousand bales.	8,000	6,364	6,400	6,800	7,500	
9.	Cotton	„	20	16	15	*N.A.*	*N.A.*	..
10.	Tea	Million lbs.	73.5	60.0	64.5(b)	65.0(a)	*N.A.*	..
11.	Tobacco	„	78.0	60.0	84.0	*N.A.*	*N.A.*	..

(a) These figures are not given in the Annual Plan 1968/69 and have been recently issued by Ministry of Agriculture and Works.

(b) Ministry of Agriculture has recently revised the figure to 63 million lbs.

* As given in the Third Plan document.

X—3 AGRICULTURE : PHYSICAL ACHIEVEMENTS/TARGETS

WEST PAKISTAN

Sl. No.	Sub-sector/Item	Unit	Third* Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Wheat	Thousand tons.	5,400	3,854	4,266	6,000	6,300	113
2.	Rice	„	1,720	1,296	1,343	1,400	2,100	116
3.	Maize	„	770	531	578	800(a)	1,000	130
4.	Other foodgrains	„	750	716	725	600	880	117
5.	Total (foodgrains) .. — —	„	8,640	6,397	6,912	8,800	10,280	115
6.	Oilseeds	„	1,550	1,034	1,147	..	..	..
7.	Sugarcane	„	21,250	21,957	21,635	..	..	..
8.	Cotton	Thousand bales.	3,500	2,331	2,558	2,700	3,100	89
9.	Tobacco	Million lbs.	195	243	308	..	..	..

(a) The final estimate issued by Ministry of Agriculture and Works is 779 thousand tons.

• As given in the Third Plan document.

TABLE XI—1 MANUFACTURING AND MINING : PHYSICAL ACHIEVEMENTS/TARGETS

PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	White Sugar	Thousand tons	640	456	416.5	455	550	86
2.	Vegetable Ghee	Do.	140	105.5	87.9	104	140	100
3.	Jute Goods	Do.	800	409.4	402.8	576	685	85.6
4.	Paper and Board	Do.	300	99.5	96.7	106	124	41.3
5.	Ammonium Sulphate	Do.	2,500*	38.4	42.2	50.0	71.0	25
6.	Ammonium Nitrate	Do.		85	85	93	100	
7.	Urea	Do.		13	140	150	205	
8.	Super Phosphate	Do.	550**	3.2	1.6	3	17	3
9.	Cement	Do.	6,000	1,650	2,000	2,100	3,110	52
10.	Soda Ash	Do.	172	31.5	31	50	68	39.5
11.	Cotton yarn	Mill. Lbs.	720	500.7	528.2	549.0	640.0	88.9
12.	Cigarettes	Million	30,000	26,450	32,046	35,000	38,000	97.4
13.	Coal	Th. tons	3,000	1,303	N.A.	N.A.	N.A.	..
14.	Natural Gas	Mill Cft.	200,000	74,036	N.A.	N.A.	N.A.	..
15.	Rock Salt	Th. tons.	400	289.3	231.3	290	330	82
16.	Chromite	Do.	50	26.7	37.7	45	50	100
17.	Silica Sand	Do.	50	33	78	N.A.	N.A.	..
18.	Lime Stone	Do.	7,000	1,941	2,331	2,710	3,150	35
19.	Gypsum	Do.	660	N.A.	N.A.	N.A.	N.A.	..
20.	Sea Salt	Do.	450	192	360	458	490	109
21.	Petroleum	Mill. Imp. gallon	200	136	N.A.	N.A.	N.A.	..

*In terms of Ammonium sulphate
**In terms of Triple Superphosphate

TABLE XI—2 MANUFACTURING AND MINING : PHYSICAL ACHIEVEMENTS/TARGETS

EAST PAKISTAN

1	2	3	4	5	6	7	8	9
1.	White Sugar	Th. tons	230	84.5	112.2	115.0	165	71.7
2.	Vegetable Ghee	Do.	25	5.3	4.7	5.3	5.5	22
3.	Jute Goods	Do.	768+96 B.L .	409.4	402.8	576.0	670.0	87.2
4.	Paper and Board	Do.	160	76.0	70.5	78.6	94.0	58.7
5.	Ammonium Sulphate	Do.	*	..	..	..	3	18
6.	Ammonium Nitrate	Do.	1,300	..	..	..	..	
7.	Urea	Do.	..	90	93	100	110	
8.	Superphosphate	Do.	350**	..	..	..	10	3
9.	Cement	Do.	2,000	43	75	100	100	6
10.	Soda Ash	Do.	36	N.A.	N.A.	N.A.	N.A.	..
11.	Cotton Yarn	Million lbs	234	73.0	74.3	79.0	85.0	37.6
12.	Cigarettes	Million	11,500	9,576	13,134	15,000	16,000	139.2
13.	Coal	Th. tons	..	..	..	..	..	..
14.	Natural Gas	M.G.Ft.	..	N.A.	N.A.	N.A.	N.A.	..
15.	Silica Sand	Th. tons	..	N.A.	N.A.	N.A.	N.A.	..
16.	Limestone	Do.	..	58	262	280	300	..
17.	Sea Salt	Do.	..	..	149	210	230	..

* In terms of Ammonium Sulphate
** In terms of Triple Super phosphate

TABLE XI—3 MANUFACTURING AND MINING : PHYSICAL ACHIEVEMENTS/TARGETS

WEST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	White Sugar	Thousand tons	410	371.6	304.3	340	385	95
2.	Vegetable Ghee	Do.	115	00.2	83.1	98 7	134.5	117
3.	Jute Goods	Do.	32+24 B.L.	..	..	9.0	15.0	47
4.	Paper and Board	Do.	140	23.5	26.2	27.4	30.0	21.4
5.	Ammonium Sulphate	Do.	1,200*	38.4	42.2	50.0	71	33
6.	Ammonium Nitrate	Do.		75	85	93	100	
7.	Urea	Do.		41	47	50	95	
8.	Super Phosphate	Do.	200**	3.2	1.6	3	14	7
9.	Cement	Do.	4,000	1,607	1,934	2,000	3,000	75
10.	Soda Ash	Do.	136	31.5	31	50	68	50
11.	Cotton yarn	Million lbs.	486	427.7	453.9	470.0	555.0	114.2
12.	Cigarettes	Million	18,500	16,874	18,912	20,000	22.000	118.9
13.	Coal	Thousand tons	3,000	1,033	N.A.	N.A.	N.A.	..
14.	Natural Gas	Thousand M.C. ft.	..	N.A.	N.A.	N.A.	N.A.	..
15.	Rock Salt	Thousand tons	400	289.3	231.3	290	330	82
16.	Chromite	Do.	50	26.7	27.7	45	50	100
17.	Silica Sand	Do.	..	33	78	N.A.	N.A.	..
18.	Lime Stone	Do.	..	1,883	2,069	2,430	2,850	..
19.	Gypsum	Do.	660	N.A.	N.A.	N.A.	N.A.	..
20.	Sea Salt	Do.	..	192	211	248	260	..
21.	Petroleum	M. Imp. G.	200	N.A.	N.A.	N.A.	N.A.	..

*In terms of Ammonium Sulphate

**In terms of Triple superphosphate.

XII—1 WATER AND POWER: PHYSICAL ACHIEVEMENTS/TARGETS

WATER

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
	(A) New area brought under irrigation..	(Thousand acres)						
	East Pakistan	,,	1,758	100	150	112	183	31
	West Pakistan	,,	3,982	500	470	530	200	42.6
	Sub-Total (A) ..			600	620	642	383	
	(B) Old area improved though irrigation/ drainage/flood regulation	(Thousand acres)						
	East Pakistan	,,	2,723	300	650	120	582	60.6
	West Pakistan	,,	17,608	1,900	1,550	1,550	1,800	38.5
	Sub-Total (B) ..			2,200	2,200	1,670	2,382	

XII.—2 WATER AND POWER : PHYSICAL ACHIEVEMENTS/TARGETS

POWER

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
	2	3	4	5	6	7	8	9
1.	West Pakistan	(MW)	2,200	1,143	1,202	1,632	1,954	89
2.	East Pakistan	(MW)	811	208	223	341	517	64

TABLE XIII—1. TRANSPORT AND COMMUNICATIONS : PHYSICAL ACHIEVEMENTS/TARGETS

ALL PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	PAKISTAN WESTERN RAILWAY							
	Locomotives (Steam)	Number	5	..	..	--	--	..
	Diesel Electric and Electric Locomotives	„	161	..	26	25	--	31
	Coaches and others	„	803	169	65	452	72	96
	Wagons	„	9,232	1,510	1,488	4,084	1,600	77
	Rail. Renewals	Track Miles	851	123	54	323	153	76
	Sleeper Renewals	„	1,188	105	75	377	329	75
2.	PAKISTAN EASTERN RAILWAY							
	Diesel Electric Locomotives	Number	84	--	..	..	..	21
	Coaches and others	„	739	80	41	9	54	25
	Wagons	„	4,161	40	33	186	214	11
	Rail Renewals	„	528	37	5	109	110	50
	Sleeper Renewals	„	690	40	44	118	130	48
3.	HIGH TYPE ROADS							
	East Pakistan	Miles	1,000	148	92	100	100	44
	West Pakistan	„	1,750 (+600 improvement)	161 (+60 improvement)	321 (+88 improvement)	327 (+120 improvement)	140 (+257 improvement)	63
4.	ROAD TRANSPORT VEHICLES							
	East Pakistan Road Transport Corporation.	Number	494 (Buses) 20 (Trucks)	3 (Buses)	164 (Buses)	75 (Buses)	70 (Buses) 20 (Trucks)	63 100
	West Pakistan Road Transport Corporation.	„	1,500 Buses (+770 replacement)	24	393	500	686	76
5.	TRAFFIC HANDLED AT PORTS							
	Karachi Port	'000' tons	--	7,056	9,100	--	--	--
	Chittagong Port	„	--	3,642	4,300	--	--	--
	Chalna Port	„	--	1,483	1,850	--	--	--
	Ships (NSC)	Number	37	11	7	6	11	95
6.	COMMUNICATIONS							
	Post Offices	„	2,000	391	384	503	500	89
	Telephones	„	150,000	12,000	12,000	24,300	25,000	49

TABLE XIV—1—PHYSICAL PLANNING AND HOUSING : PHYSICAL ACHIEVEMENTS/TARGETS

PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Development of residential plots/ houses.	Nos.	1,30,000	7,500	9,500	16,500	26,000	45.7
2.	Water supply schemes for Urban Areas :							
	1. East Pakistan	Nos.	20 cities.	..	2	3	8	65
	2. West Pakistan	Nos.	25 cities.	3	6	2	5	64
3.	Water supply in rural areas :							
	(*i*) Tubewells in East Pakistan.	Nos.	1,60,000 tubewells	600	3,200	5,200	2,600	22
	(*ii*) Villages in West Pakistan ..		400 villages.	80	78	80	80	79.5
4.	Building and Housing Research Centre.	Nos.	2	10% work completed.	20% work completed.	50% work completed.	100% work to be completed	100% work to be completed.
5.	Regional Development Plans.	Nos.	4	..	..	5% work completed.	20% work to be completed.	20% work to be completed.
6.	Urban Development Plans ...	Nos.	12	5% work completed.	15% work completed.	25% work completed.	35% work to be completed.	35% work to be completed.
7.	Outline Development Plans.	Nos.	12	5% work completed.	10% work completed.	25% work completed.	35% work to be completed.	35% work to be completed.
8.	Public Health Engineering Laboratories and Institutions.	Nos.	2	..	..	2	..	100
9.	Provincial Outline Development.	Nos.	1	—	5% work completed.	15% work completed.	25% work to be completed.	25% work to be completed.
10.	National Building Centre. ..	Nos.	1	..	..	..	..	Nil
11.	Pakistan Centre for Regional and Urban Development.	Nos.	1	..	..	5%	10% work to be completed.	10% work to be completed.

TABLE XIV—2. PHYSICAL PLANNING AND HOUSING : PHYSICAL ACHIEVEMENTS/TARGETS

EAST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Development of residential plots/ houses.	Nos.	50,000	4,500	6,000	9,300	16,000	67.7
2.	Water Supply Schemes for Urban Areas in East Pakistan.	Nos.	20 cities.	..	2	3	8	65
3.	Water Supply in Rural Area —Tubewells in East Pakistan.	Nos.	1,60,000	600	3,200	5,200	26,000	22
4.	Building and Housing Research Centre.	Nos.	1	10% work completed.	20% work completed.	50% work completed.	100% work to be completed.	100% work to be completed.
5.	Regional Development Plans ..	Nos.	3	..	..	5% work completed.	20% work to be completed.	20% work to be completed.
6.	Outline Development Plans (Provincial).	Nos.	1	..	5% work completed.	15% work completed.	25% work to be completed.	25% work to be completed.
7.	Public Health Engineering Labs. and Institutions.	Nos.	1	..	..	1	..	100

TABLE XIV—3. PHYSICAL PLANNING AND HOUSING : PHYSICAL ACHIEVEMENTS/TARGETS

WEST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Development of residential plots/houses.	Nos.	80,000	3,000	3,500	7,200	10,000	30.0
2.	Water Supply Schemes for Urban Areas in West Pakistan.	Nos.	25 cities	3	6	2	5	64
3.	Water Supply in Rural Area—Villages in West Pakistan.	Nos.	400 Villages	80	78	80	80	79.5
4.	Building and Housing Research Centre.	Nos.	1	10% work completed.	20% work completed.	50% work completed.	100% work to be completed.	100% work to be completed.
5.	Regional Development Plans ..	Nos.	1	..	..	5% work completed.	20% work to be completed.	20% work to be completed.
6.	Urban Development Plans ..	Nos.	12	5% work completed.	15% work completed.	25% work completed.	35% work to be completed.	35% work to be completed.
7.	Outline Development Plans ..	Nos.	12	5% work completed.	10% work completed.	15% work completed.	20% work to be completed.	20% work to be completed.
8.	Public Health Engineering Laboratories and Institutions.	Nos.	1	..	..	1	...	100
				CENTRE				
1.	National Building Centre ..	Nos.	1	..	..	..	...	Nil.
2.	Pakistan Centre for Regional and Urban Development.	Nos.	1	..	..	5%	10% work to be completed.	10% work to be completed.

TABLE XV—1. EDUCATION AND TRAINING: PHYSICAL ACHIEVEMENTS/TARGETS

PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Additional enrolment at Primary School stage.	Million	5.8	0.225	0.275	0.600	0.775	32
2.	Additional enrolment at Middle School Stage.	Number	900,000	92000	128,000	185,000	2,25000	70
3.	Additional enrolment at High School stage	,,	250,000	42,000	46,000	50,000	52,000	76
4.	Additional enrolment at Higher Secondary stage.	,,	135,000	16,000	20,000	27,000	34,000	72
5.	Annual output of trained Primary School Teachers.	,,	19,000	14,600	14,600	16,400	17,400	92
6.	Annual output of trained Secondary School Teachers.	,,	5,200	3,734	3,821	4,011	4,375	84
7.	Total output of Graduate Engineers ..	,,	6,000	760	931	1,152	1,237	68
8.	Total output of Technicians	,,	23,000	2,080	2,472	3,150	3,650	48

TABLE XV—2. EDUCATION AND TRAINING : PHYSICAL ACHIEVEMENTS/TARGETS

EAST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69*	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Additional enrolment at primary school stage.	Million	3.00	0.125	0.150	0.400	0.450	37
2.	Additional enrolment at middle school stage.	Number	400,000	42,000	58,000	80,000	100,000	70
3.	Additional enrolment at high school stage	,,	125,000	22,000	23,000	25,000	25,000	76
4.	Additional enrolment at higher secondary stage.	,,	60,000	6,000	8,000	12,000	16,000	70
5.	Annual output of trained primary teachers.	,,	8,600	4,200	4,200	6,000	7,000	81
6.	Annual output of trained Secondary Teachers.	,,	1,700	1,125	1,125	1,375	1,575	92
7.	Total output of Graduate Engineers ..	,,	2,200	223	250	350	400	56
8.	Total output of Technicians	,,	11,000	750	1,050	1,150	1,350	39

* These are the targets for the year concerned.

TABLE XV—3. EDUCATION AND TRAINING : PHYSICAL ACHIEVEMENTS/TARGETS

WEST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Additional enrolment at primary school stage.	Million	2.80	0.100	0.125	0.200	0.325	29
2.	Additional enrolment at middle school stage.	Number	5,00,000	[50,000	70,000	1,05,000	1,25,000	70
3.	Additional enrolment at High School stage	,,	1,25,000	20,000	23,000	25,000	27,000	76
4.	Additional enrolment at higher secondary stage		75,000	10,000	12,000	15,000	18,000	73
5.	Annual output of trained primary teachers	,,	10,400	10,400	10,400	10,400	10,400	100
6.	Annual output of trained Secondary Teachers.	,,	3,500	2,609	2,696	2,636	2,800	80
7.	Total output of Graduate Engineers ..	,,	3,800	537	681	802	837	75
8.	Total output of Technicians	,,	12,000	1,330	1,422	2,000	2,300	59

TABLE XVI—1 HEALTH AND MEDICAL SERVICES: PHYSICAL ACHIEVEMENTS/TARGETS

PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during the first four years
1	2	3	4	5	6	7	8	9
1.	Doctors	Number	4,200	900	1,000	1,000	1,000	96
2.	Nurses	Do.	1,800	400	270	300	350	73
3.	Lady Health Visitors	Do.	1,703	115	160 ***	..	..	..
4.	Hospital Beds	Do.	12,800		3,426	..	..	..
5.	T. B. Clinics	Do.	55	19*	4*	13*	..	..
6.	Rural Health Centres	Do.	**547	20	28	60	67	55
7.	Medical Colleges	Do.	2			Work started on 2 medical colleges.	Work continued	

* Left over from Second Plan.
** Progressive total.
*** Achievements for two years *i.e.*, 1965-67.

TABLE XVI.—2 HEALTH AND MEDICAL SERVICES: PHYSICAL ACHIEVEMENTS/TARGETS

EAST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Doctors	Number	..	..	299 ***	350	350	..
2.	Nurses	Do.	..	42	30	50	50	..
3.	Lady Health Visitors	Do.	..	..	79	..	..	..
4.	Hospital Beds	Do.	7,800	..	..	..	..	..
5.	T. B. Clinics	Do.	10+39	19**	4**	5**	2**	75
6.	Rural Health Centres ..	Do.	273*	20*	28	60	52	
7.	Medical Colleges ..	Do.	2	Work in progress				73

* Progressive total.
** Left over from Second Plan
*** For two years i.e 1965-67.

TABLE XVI.—3 HEALTH AND MEDICAL SERVICES : PHYSICAL ACHIEVEMENTS/TARGETS

WEST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Doctors	Number	..	..	678	700	700	..
2.	Nurses	Do.	..	336	240	300	300	..
3.	Lady Health Visitors	Do.	..	..	415*	..	..	..
4.	Hospital Beds	Do.	5,000	..	..	..	..	..
5.	T. B. Clinics	Do.	45	..	..	8	..	18
6.	Rural Health Centres	Do.	274**	..	..	..	15	36
7.	Medical Colleges	Do.	..	..	..	..	..	..

* For 1965-67.
** Progressive total.

TABLE XVII.—1 SOCIAL WELFARE SERVICES: PHYSICAL ACHIEVEMENTS/TARGETS

EAST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/68	Percentage implementation during first four years
1.	Administration	Centre.	1	1	..	..	..	100
2.	Research and Publication	Unit	..	..	..	..	...	—
3.	Training	Unit	2	2	..	..	..	100
4.	Urban Community Development ..	Projects	..	..	—	..	..	—
5.	Social Services for Rural Communities..	Do.	..	..	...	..	..	—
6.	Financial and Professional Assistance to Voluntary Agencies, Universities and Colleges	Services	3	3	contd.	contd.	contd.	100
7.	Social Services for Children ..	Centres	195	5	5	..	10	10
8.	Social Services for Youth	Centres	3	2	1	..	..	100
9.	Social Services for Families	Centres	1	..	...	..	1	100
10.	Medical Social Work	Projects	11	..	...	2	1	27
11.	School Social Work..	Schools	10	..	3	3	1	70
12.	Recreation Services for Masses ..	..	..	..	...	..	..	..
13.	Social Services and Model Institutions for Socially and Economically Handicapped	Centres	53	..	..	..	..	*Nil*
14.	Social Services and Model Institutions for Physically Handicapped	Centres	57	1	1	9	7	33
15.	Social Services for Delinquents ..	Units	21	3	contd.	2	4	43
	Total :—		357	17	10	16	24	

TABLE XVII—2 SOCIAL WELFARE SERVICES: PHYSICAL ACHIEVEMENTS/TARGETS

WEST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967-68	1968/69	Percentage implementation during first four years
1.	Administration	Centre	2	1	..	..	..	50
2.	Research and Publication	Unit	1	..	1	—	..	100
3.	Training	Unit	2	2	contd.	contd.	contd.	100
4.	Urban Community Development ..	Projects	89	41	18	10	..	80
5.	Social Services for Rural Communities	Do.	30	...	6	8	16	100
6.	Financial and Professional Assistance to Voluntary Agencies, Universities and Colleges	Service	3	3	contd.	contd.	contd.	100
7.	Social Services for Children	Centres	4	..	...	..	4	100
8.	Social Services for Youth	Centres	...	..	...	..	..	..
9.	Social Services for Families	Do.	5	1	—	2	2	100
10.	Medical Social Work	Projects	...	...	—	..	..	..
11.	School Social Work..	Schools	12	—	—	..	12	100
12.	Recreation Services for Masses ..		—	...	—	—	..	..
13.	Social Services and Model Institutions for Socially and Economically Handicapped	Centres	14	2	2	4	6	100
14.	Social Services and Model Institutions for Physically Handicapped	Centres	2	—	—	—	2	100
	Total :—		164	50	27	24	42	

TABLE XVIII—1.—MANPOWER TRAINING AND LABOUR : PHYSICAL ACHIEVEMENTS/TARGETS

PAKISTAN

Sl. No.	Sub-sector/ Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	Manpower Training and Skill Development.	Nos.	Modernization of 7 existing technical training centres and establishment of 13 new technical training centres, and expansion of one institute of Labour Administration Training.	Partial construction of buildings for 7 technical training centres.	Partial construction of buildings for 9 technical training centres.	Continuation of construction work on 9 technical training centres, acquisition of land for 1 technical training centre, initiation of work on 1 training centre for released defence personnel.	Continuation of construction work on 11 technical training centres and acquisition of land and initiation of partial construction on additional 7 technical training centres including one centre for released defence personnel and one institute of Labour Administration Training.	50
2.	Labour Market Organization.	Nos.	Establishment of four vocational guidance and youth employment units.	..	Opening of one vocational guidance and youth employment unit.	Opening of one vocational guidance and youth employment unit.	Opening of one vocational guidance and youth employment unit.	10
3.	Promotion of Industrial Peace.	Nos.	Completion of buildings for one headquarters office, four Divisional offices and one Regional office of Provincial Labour Directorate.	..	Acquisition of land for 2 Divisional offices and partial construction of buildings for 1 headquarter office, 3 Divisional offices and 1 Regional office of the Provincial Labour Directorate.	Completion of building for 1 Regional office, 2 Divisional offices and partial construction of 2 Divisional offices and 1 headquarter office of the Provincial Labour Directorate.	Completion of buildings for 2 Divisional offices and partial construction of 1 headquarter office of the Provincial Labour Directorate.	96
4.	Provision of Safety and Security.	Nos.	Construction of 17 new Labour Welfare Centres, improvement and full completion of existing 13 labour welfare centres, improvement of 1 existing Labour Welfare Division for Tea Industry, setting up of 1 mines rescue centre along with mines Safety Institute and one Seamen's Hostel.	Partial improvement of the existing Welfare Division for Tea Industry and provision of furniture, equipment for six existing Labour Welfare Centres.	Construction of Staff quarters for the existing Welfare Division for tea industry, setting up of 4 new Labour Welfare Centres, partial improvement of 2 existing Labour Welfare Centres and acquisition of land for one mines rescue centre.	Partial improvement of 7 existing Labour Welfare Centres and acquisition of land for one new Labour Welfare Centre and partial construction of one mines rescue centre.	Completion of improvement work of the 7 existing Labour Welfare Centres, partial construction of one mines rescue centre at Quetta, and one Seamen's Hostel at Karachi.	28

TABLE XVIII—3—MANPOWER TRAINING AND LABOUR : PHYSICAL ACHIEVEMENTS/TARGETS

WEST PAKISTAN

Sl. No.	Sub-sector/ Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1.	Manpower Training and Skill Development.	Nos.	Modernization of 3 existing technical training centres, establishment of 4 new technical training centres, and expansion of one Institute of Labour Administration Training.	Partial construction of buildings for 4 technical training centres at Hyderabad, Moghalpura, Multan and Peshawar.	Continuation of construction of 4 technical training centres at Hyderabad, Moghalpura, Multan and Peshawar.	Continuation of construction of 4 technical training centres at Hyderabad, Moghalpura, Multan and Peshawar and initiation of work on 1 training centre for released defence personnel at Jhelum.	Completion of 1 technical training centre at Peshawar, expansion of one centre (SEATO-PAK, Karachi), partial construction of 5 centres (Hyderabad, Moghalpura, Gulberg, Multan and Rahimyarkhan) and 1 training centre for released defence personnel at Jhelum and one Institute of Labour Administration Training at Karachi.	56
2.	Provision of Safety and Security.	Nos.	Setting up of one mines rescue centre alongwith one mines Safety Institute at Quetta and one Seamen's Hostel at Karachi.	..	Acquisition of land for 1 mines rescue centre at Quetta.	Initiation of construction of 1 mines rescue centre at Quetta.	Partial construction of 1 mines rescue centre at Quetta and one Seamen's Hostel at Karachi.	31

TABLE XIX—1 WORKS PROGRAMME: PHYSICAL ACHIEVEMENTS/TARGETS

PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	**Communications Sector :**							
	(*i*) Kutcha Roads ..	Miles.	N. A.	19,300	17,511	N. A.	N. A.	
	(*ii*) Pucca Roads ..	,,	,,	1,895	1,773	,,	,,	
	(*iii*) Bridges and culverts.	Numbers	,,	15,261	9,425	,,	,,	
2.	**Building Sector :**							
	Thana Training Development Centres, District Council, and Union Council offices and Community Centres.	,,	,,	1,299	1,040	,,	,,	
3.	**Flood Protection, Water, Power and Irrigation :**							
	(*i*) Embankment .. —	Miles.	,,	2,324	1,560	,,	,,	
	(*ii*) Canals and Drainage ..	,,	,,	953	1,562	,,	,,	
	(*iii*) Tubewells ... —	Nos.	,,	103	7	,,	,,	
	(*iv*) Open surface wells ..	,,	,,	605	172	,,	,,	
	(*v*) Karazes and Bowlies ..	,,	,,	187	82	,,	,,	
	(*vi*) Kools and lift pumps ..	,,	,,	7	19	,,	,,	
4.	**Health and Sanitation :**							
	(*i*) Hand pumps	,,	,,	5,474	237	,,	,,	
	(*ii*) Diggies, tanks, etc. ..	,,	,,	140	286	,,	,,	
	(*iii*) Civil Dispensaries ..	,,	,,	281	80	,,	,,	
	(*iv*) Drains	,,	,,	98	20	,,	,,	
5.	**Education :**							
	Schools — — ..	,,	,,	1,522	510	,,	,,	
6.	**Agriculture :**							
	Veterinary Dispensaries —	,,	,,	129	26	,,	,,	
7.	**Other Projects :** — —	,,	,,	331	256	,,	,,	

TABLE XIX—2 WORKS PROGRAMME: PHYSICAL ACHIEVEMENTS/TARGETS EAST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
I.—Communications Sector :								
1.	Kutcha Road	Mile.	N A.	17,841	16,678	N.A.	N.A.	
2.	Pucca Road	,,		742	446	,,	,,	
3.	Bridges and culverts	Number	,,	11,980	8,585	,,	,,	
4.	Thana Training Development Centre.	,,	,,	225				
5.	Union Community Centre.	,,	,,	586				
6.	Town/Municipal Halls	,,	,,	6	831	,,	-	
7.	Coastal Community Centre.	,,	,,	22				
8.	Markets/Shopping Centre	,,	,,	23				
III.—Flood Protection and Irrigation Sectors :								
9.	Embankment	Mile	,,	2,324	1,560	,,	,,	
10.	Canals and drainage	,,	,,	953	1,562	,,	,,	
IV.—Others :								
11.	Re-excavation of tanks	Number	,,	57	72	,,	,,	
12.	Parks and playgrounds	,,	,,	24	7	,,	,,	

TABLE XIX.—3 WORKS PROGRAMME : PHYSICAL ACHIEVEMENTS/TARGETS WEST PAKISTAN

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965/66	1966/67	1967/68	1968/69	Percentage implementation during first four years
1	2	3	4	5	6	7	8	9
1.	**Transport and Communications:**							
	(*i*) Metalled Roads	Miles	N.A.	288	958	N.A.	N.A.	
	(*ii*) Treated Roads	,,	,,	865	369	,,	,,	
	(*iii*) Kutcha Roads	,,	,,	1,459	833	,,	,,	
	(*iv*) Bridges	Nos.	,,	61	40	,,	,,	
	(*v*) Culverts	,,	,,	3,220	800	,,	,,	
2.	**Health and Sanitation :**							
	(*i*) Hand pumps	,,	,,	5,474	237	,,	,,	
	(*ii*) Diggies, Tanks etc.	,,	,,	83	214	,,	,,	
	(*iii*) Civil Dispensaries	,,	,,	281	80	,,	,,	
	(*iv*) Dirans	,,	,,	98	20	,,	,,	
3.	**Water, Power and Irrigation :**							
	(*i*) Tube-wells	,,	,,	103	7	,,	,,	
	(*ii*) Open surface wells	,,	,,	605	172	,,	,,	
	(*iii*) Karazes and Bowlies	,,	,,	187	82	,,	,,	
	(*iv*) Kools and Life Pumps	,,	,,	7	19	,,	,,	
4.	**Education :**							
	Schools	,,	,,	1,522	510	..	..	
5.	**Social Welfare and Housing :**							
	(*i*) Community Centres	,,	,,	402	163	,,	,,	
	(*ii*) District Council/Thana Council / Union Council offices	,,	,,	35	46	,,	,,	
6.	**Agriculture:**							
	Veterinary Dispensaries	,,	,,	129	26	,,	,,	
7.	**Other Projects**	,,	,,	307	256	,,	,,	

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